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WHAT'S NEWS TO WHAT'S NEXT

INTRODUCTION

Brands forge new frontiers with mobile

By Lisa Terry

THERE'S A NEW FRONTIER OPENING for brands seeking to influence and build relationships with consumers. Mobile marketing is forging completely new ways for brands to find and develop relationships with their audiences.

Never before has the marketer had access to a tool that's so intimately connected to its owner: A mobile device is often the first screen its owner looks at in the morning and the last one at night. A survey by Qualcomm found 68% of people sleep with their phones next to their beds.

"Mobile is probably the greatest change any of us marketers will see in our generation," says Greg Stuart, CEO of the Mobile Marketing Association. "It feels like it has so much more of a dramatic effect—and so quickly—than even the internet did. You're watching people's entire product bases be completely wiped out and shifted in a new direction because of mobile."

Mobile marketing is a big tent. Under it are all kinds of devices—phones, tablets, wearables—and even more subchannels: So far, they include apps, messaging, mobile ads, audio/video, mobile web, location targeting, mobile gaming, mobile commerce and wallets.

These can be leveraged to solve all kinds of marketing challenges that could never be solved before—or at least, not as well. According to Stuart, mobile differs from other media in three key ways:

- **Personal**—A mobile device, particularly a phone, tends to be used by one person.
- **Pervasive**—A whopping 153 million Americans own smartphones and 82 million own tablets as of December 2013, according to ComScore.
- **Proximate**—A user's location is a precursor to an activity, and can be more valuable than demographics as a tool to understand intent. With GPS, beacons, NFC (near field communication) and other technologies, the ability to pinpoint location is becoming increasingly accurate.

If the excitement sounds familiar, it should. The last major new marketing tool was the internet. No one can deny its success, but there were definitely some painful lessons along the way. Email marketing, for example, can still be effective, but its unbridled adoption opened the door for spam and eventually turned off many consumers. Social media presented its own set of challenges.

This time around, given the intimacy of the medium, the potential is even greater and the risk of alienating the consumer more pronounced. No one wants to mess this opportunity up.

That's why marketers are proceeding with caution, testing the waters to discern what audiences will embrace and what will turn them off. Industry groups are forming standards and practices such as opt-in to ensure marketing messages are welcome, and governments are keeping a watchful eye.

On the following pages, you will see examples of ways marketers are leveraging the unique power of mobile to impact their audiences in a variety of industries, as well as the lessons learned from those campaigns that are helping to drive mobile marketing forward.

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WHAT'S SO GREAT ABOUT MOBILE MARKETING?

Brands across the spectrum are gravitating toward mobile

THIS IS BIG. REALLY BIG, say some marketers: They have seen what mobile can already do and envision that power only growing stronger as technology evolves and marketers figure out how to make the most of the intimate relationships consumers have forged with their mobile devices.

"Mobile is one of the largest transformations in consumer engagement in the history of media," says B. Bonin Bough, VP-global media and consumer engagement at Mondelez International, which comprises the global snack and food brands of the former Kraft Foods. "We've seen that mobile marketing produces real results: increased positivity toward brands, increased buying potential and media receptivity."

And mobile's not just raising its own profile. "Mobile allows us to make our other media investments, such as TV, work harder," Bough continues. "We can double the effectiveness of TV spots by tapping into the power of social through a mobile device. If an FMCG [fast-moving consumer goods company] spends, on average, 90% of their investment on TV, imagine the massive unlock that could come from 90% of your investment working twice as hard."

Mondelez is not the only fan. Brands across the spectrum are gravitating to mobile marketing. "Mobile is an important tool for us," says Suzy Deprizio, group brand director, sun and digital, for Neutrogena. "Because of the utility of mobile in people's lives, we know it's here to stay. It's an incredibly important medium for us for reaching consumers."

The rabid enthusiasm among some marketers exists because mobile allows them to do things they couldn't before.

"For the first time, we are bridging the gap between digital and the real world, and from a marketing perspective, we're adding a third dimension," says Tina Unterlaender, director of mobile for digital agency AKQA. "Before you had the brick-and-mortar world, where you had to be doing something, like shopping. And then you had digital, where you started to have more data about the consumer, but you were still kind of stationary. So I think what mobile does is merge those worlds so you not only have location, you not only have the digital data we have about consumers we have now, but now we have context. I think the combination of location and context is very powerful."

"MOBILE MARKETING PRODUCES REAL RESULTS: INCREASED POSITIVITY TOWARD BRANDS, INCREASED BUYING POTENTIAL AND MEDIA RECEPTIVITY"

B. BONIN BOUGH
VP-GLOBAL MEDIA, MONDELEZ



WHAT MOBILE DOES BETTER

Perhaps mobile's best feature is its intimate role in consumers' lives. People carry their mobile devices everywhere and spend a growing percentage of their day interacting with them. That alone would be plenty to pique marketers' interest, but the feature set just keeps making it better. Every new generation of devices seems to include more capabilities to enhance the user experience and drive powerful new ways to streamline their owners' interactions with the world. Some of these characteristics include:

■ **Location:** Continuing refinement in the ability to pinpoint a mobile device's location through technologies including GPS and beacons delivers a brand-new dimension to marketing: context. Combining that with other data about the user and the device enables much better insight into consumer behavior and helps brands tie into user moments.

"Using location as a way to profile a person is very powerful," says JiYoung Kim, senior VP-creative solutions for digital agency Ansible. "It allows you to give a target profile a lot more depth and look at history and patterns."

■ **Two-way communication:** Yes, other media can be bi-directional, but with mobile, the conversation—via messaging, mobile web, social media and so on—can occur anytime a consumer has his or her phone. As in, most of the time.

■ **Camera:** Phones create a much more streamlined way to take and share photos. As communication grows increasingly visual, brands are looking to incorporate consumers' photos and videos into the brand experience, as with the Bank of America Merrill Edge app Face Retirement, described later in this report.

"Brands want to communicate this way, too," says Molly Garris, digital strategy director at Leo Burnett Worldwide. "The trend now is all about visual imagery."

■ **Accelerometers and other sensors:** Sensors built into phones include accelerometers, gyroscopes, magnetometers and proximity and ambient light sensors. These help add context to how a phone is being used and its location relative to the user, such as whether it's moving and in what direction. Newer Apple devices have additional motion sensors called M7 tracking chips, and the latest Galaxy phones have nine sensors to track such things as temperature and humidity, barometric pressure and human gesture. All are potential new sources of insight about consumer behavior.

■ **Voice activation:** Using mobile devices' voice recognition capabilities enables a literal dialogue with the user. Toyota, for example, recently ran in-app display ads that let the consumer virtually experience its in-vehicle multimedia and telematics system.

A MARKETING IMPERATIVE

All that together makes mobile a potent multimedia marketing tool. So powerful, in fact, that marketers such as Mondelez's Bough urge all marketers to drink the mobile Kool-Aid, or else.

"If you are not focused on mobile marketing, you will have no career in three years and, even more, you will have missed the wave that will transform careers, fortunes, countries and business," Bough asserts, urging marketers to consider moving on if they can't get traction for mobile where they are working. "I can tell you absolutely, and without any question, that every minute you can't get that traction you are spending destroying your career. It could make you less capable to compete for the roles against a newly armed generation of mobile-savvy, mobile-minded marketers. In the blink of an eye, you will become obsolete. The key to survival is to stay digitally fit and not become obsolete."

Agencies, too, must have the technical capabilities to understand and develop for mobile in house, even if they don't actually do the hands-on development every time, says Winston Binch, partner and chief digital officer for integrated advertising and digital agency Deutsch LA.

OBSTACLES ON THE PATH TO MOBILE

With such a green-field opportunity, though, forging a path is not without obstacles.

Until recently, the biggest hurdle was earning the attention and respect of brand managers. At first, mobile marketing was largely SMS or text messaging, and was viewed by many as unproven and ancillary, particularly when phone adoption rates were lower. As mobile's capabilities and penetration began to mushroom and early success stories multiplied, respect grew.

Now brands tend to fall along a continuum in how they perceive mobile's role. For some, "Brands are still looking at it like they would a display ad when they need to look at it like inventors or product developers," says Deutsch LA's Binch.

Others are all in.

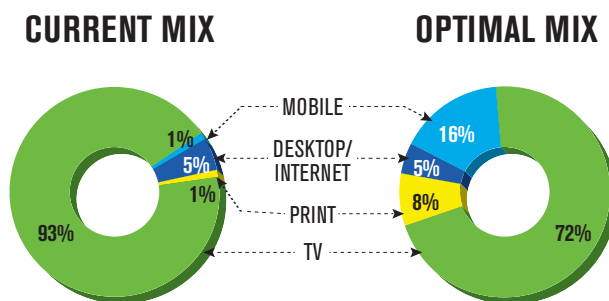
"Some of our clients are naturally steered toward needing to innovate outside online boundaries," says Ansible's Kim. "A few clients have an instinct about what's right for their business with mobile, and then there's a whole other group of clients where the physical locations are a really big deal for their business—QSR [quick service restaurant], auto, retail," giving them lots of impetus to embrace it.

But other challenges remain:

■ **Budget:** Unfortunately, budgets have not risen as quickly as mobile's status. "Mobile accounts for 24% of media consumption, but gets only less than 1% of investment from companies," says Mondelez's Bough. His company currently invests 10% of its media budget in mobile.

The Mobile Marketing Association set out to measure the gap between what brands are and should be spending on mobile marketing and found optimized level of spend on mobile advertising for U.S. marketers in 2012 should be 7%, on average, vs. the then-current budget allocation of less than 1%. They projected that over the following four years, so 2013 to 2017, mobile's share of the media mix would be calculated to increase to at least 10% on average, based on increased adoption of smartphones alone.

More recently the MMA worked with Stanford University, Marketing Evolution and a number of top brands including AT&T, Coca-Cola and Subway to determine the appropriate budget allocation for today's world in a study called SMOX.me, or Smart Mobile Cross Marketing Effectiveness. They tested a variety of marketing mixes with live panels, measuring brand awareness. At press time, the MMA was still evaluating overall results, but here is what it found was the current mix and the optimal mix for one particular case study:



The percentage of audience this brand was missing with the wrong marketing mix was significant, says MMA's Stuart. "It was as if they ignored Chicago."

■ **Measurement:** Like digital, mobile's plethora of data would seem to make measurement easier. It holds the potential to measure things like loyalty, purchase intent and even actual purchases through user behavior.

MOBILE MARKETING BEST PRACTICES

Some forms of mobile have actually existed since the 1990s, giving marketers a long history from which to draw best practices for technologies such as messaging. But with the explosion in device adoption and capabilities, many rules are still being written as marketers and consumers negotiate a balance between access and privacy.

Marketers must also find equilibrium by setting standards that guide mobile marketing toward its ideal state without being so overzealous they stifle creativity. For example, notes AKQA's Unterlaender, a standard that says a consumer should be contacted no more than three times a week makes no sense for an app that reminds the user to take a daily medication.

Here are just a few of the best practices and lessons marketers suggest:

- **Be context-aware** whenever possible.
- **Don't be intrusive;** ensure your content will be valued by the recipient.
- **Put the user experience at the center.** Understand how consumers use mobile devices and be there.
- **Don't pack 10 different capabilities into one deliverable; do a few things well.** "We feel consumers will latch on to an experience if it's highly focused or concentrated," says R/GA's Diez.
- **Always be optimized for mobile.**
- **Be visual.** "The visual web is taking over," says Deutsch LA's Binch.
- **Be useful and insightful.**
- **Create premium experiences for loyalists.**
- **Listen.** Thanks to the anyone-can-be-a-developer ethos of mobile, everyone has a vision for what mobile can and should do. "Consumers are controlling the conversation and demanding what they want to see," says Leo Burnett's Garriss.

But mobile suffers the same challenges as other channels in properly capturing its role in the path to purchase. "There's a bit of murkiness in how the user jumps from one channel to the next," says Daniel Diez, global chief marketing officer for digital agency R/GA. "There are a lot of people trying to solve that." Better measurement will drive beefier budgets.

■ **Formats:** With the constant introduction of different screen and ad dimensions, there has been no standard way to deliver rich media to mobile devices. Designers have needed to create display ads in many different sizes to accommodate all the different requirements. Companies and industry groups such as the Interactive Advertising Bureau are developing standards and strategies to overcome this. "At Leo, we still do a lot of powerful storytelling through video and TV," says Leo Burnett's Garriss. "To be able to send those spots and know they're going to resonate properly on mobile devices is important to brands."

■ **Integration:** Some experts advocate specialization while others feel agencies need to be cross-disciplinary. In either case, mobile marketing often needs to integrate with other media for the most effective campaigns. Anyone who has tried to win attention for a new app without the support of other media, for example, will attest to the challenge of single-channel development.

Mendez's approach to integration across devices and platforms is called Connections Planning. "We are no longer in a world of 360-degree communications, but in a world where it is important to choose the right 36 types of communication to get the job done," says Bough. "It takes into account how consumers act and behave across different platforms and devices. Key to the success here is encouraging our creative and media-planning agencies to work together from the start of any campaign."

■ **Limited cookies:** The cookies used to customize and track the user experience in digital are limited in the mobile environment. According to the IAB, "Cookie tracking can work in specific situations on mobile devices, but other tracking methods are needed to more reliably track ad campaigns across environments."

■ **Speed:** The mobile space and each of its channels, devices and operating systems are evolving so fast that it can be tough—but hugely important—for marketers to keep up with how consumers are using their devices.

■ **Reliability:** Mobile sites crash, sites become inaccessible, ads display incorrectly: The mobile user experience is not without its hiccups. As technology evolves, performance should become more reliable

■ **Privacy:** With the eyes of government and a highly marketing-aware audience upon them, brands are exercising caution in using mobile to serve and not annoy. "One of the reasons we're so excited about geotargeting is that we're increasingly able to reach the consumer at the right moment and mindset," says Neutrogena's Deprizio. "So rather than the spam experience, where you're talking to her in the wrong moment, [it's welcome] because it's relevant. That is an important thing for us."



WEARABLES LIKE GOOGLE GLASS AND SMART WATCHES MAY BECOME THE MAIN ASPECT OF MOBILE

■ **Infinite possibility:** And then there's the good problem: all the exciting new tools. "The biggest challenge is to understand what mobile does really well and apply it to my product or services in a way that makes sense for my customers," says AKQA's Unterlaender.

MOBILE KEEPS MOVING

As marketers work to overcome those challenges, they also look ahead to emerging new capabilities they can incorporate into their mobile marketing tool sets.

Near-field communication (NFC) has been poised to break out for some time, as the world awaits Apple's move to incorporate NFC into the iPhone. NFC holds promise for peer-to-peer communications as well as payment.

Beacons use short-distance wireless Bluetooth communications to enable physical locations to engage with users' phones to create personalized, localized experiences. (See page 15 for more on beacons.)

Mobile is a must for wallet technology as it becomes the repository for commerce, loyalty and brand relationships.

And then there's wearables such as "iWatches" and Google Glass, which represent new ways to interact with the consumer. "We believe wearables are becoming very closely aligned with mobile, and in some cases, wearables may become the main aspect of the mobile channel," says R/GA's Diez.

Marketers predict mobile marketing will continue to evolve along many dimensions.

One is a taking longer-term view of mobile projects, such as sustained support and development of apps and a closer tie-in to CRM (customer relationship management) and loyalty building.

Another is the continual refinement of capabilities around personalization. Marketers will get better and better at leveraging all the data we now have about the consumer and the power of mobile to deliver a customized experience.

Proximity-based marketing will evolve as the technology is refined and consumers determine what level of brand communication they're comfortable with. Consumers will find their way toward the most natural behaviors with their phones, and marketers will need to follow their lead.

"Particularly in the CPG [consumer packaged goods] industry, packaging and point-of-sale displays will become completely digitized so that mobile marketing, especially as it occurs in-store, will be more interactive and targeted than ever before," says Mondelez's Bough. "Mobile is also going to create more brand loyalty in the future, with new opportunities for brands to deliver content and value to consumers."

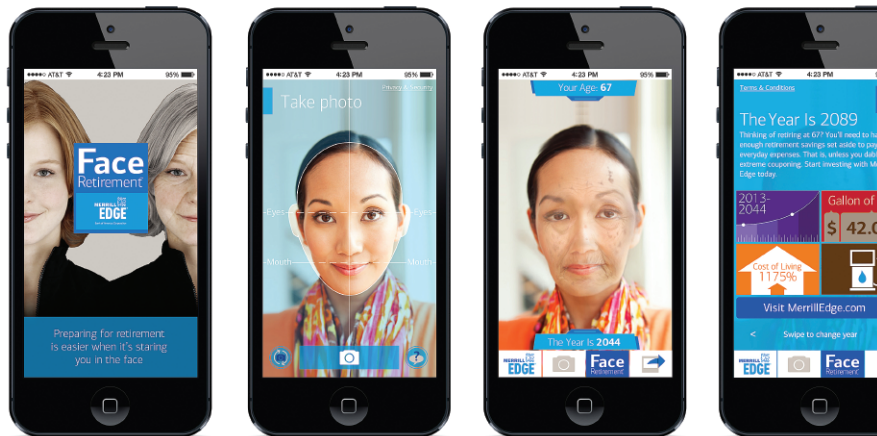
Cezar Kolodziej, president and co-founder of Iris Mobile, predicts mobile messaging will converge onto one messaging app for every phone, with one unified user experience. While there will be different messaging technologies on the backend, there will be one point of entry. This will help to streamline marketing via mobile messaging.

Another direction is mobile's role in the "internet of things." As mobile evolves as a remote control for the users' lives, from monitoring medical conditions to remotely unlocking the front door, it will command more and more of their attention. Brands are increasingly seeking to take advantage. "It will open up opportunities for marketers to be in that conversation," says Leo Burnett's Garriss. "A lot of our brands are really working on their API technologies, helping to share data and integrate with other services to share data to get smarter and be ready to meet these consumer demands. Mobile is the linchpin to all of this."

THE TIP OF THE ICEBERG

Mobile has already taken off in a lot of directions, but most marketers agree they've only scratched the surface of its capabilities. "Brands should expect more from mobile," says Ansible's Kim. "Look to it to open doors that weren't easy to open before."

CASE STUDIES



CAMPAIGN/APP:

FACE RETIREMENT

CLIENT: Bank of America Merrill Edge
AGENCY: Starcom USA
VERTICAL MARKET: Financial Services

TIMING OF CAMPAIGN/ APP LAUNCH:
 On the web November 2012; refreshed as an app
 February 2014

It ranks right up there with flossing and getting a physical: Planning for retirement is something people should do, but will go to great lengths to avoid. That's one reason more than a third of all Americans have saved nothing for their futures.

That resistance was just the beginning of the challenges for marketers at Bank of America. The financial institution's Merrill Edge business unit entered the extremely competitive online investing market in 2010 with very low numbers for aided awareness among its core target, Bank of America customers. After two years, the numbers weren't getting much better. In fact, in 2012, Merrill Edge ranked last among its six top competitors in both media spend and awareness. Its largest competitor, TD Ameritrade, was outspending it eightfold.

Merrill Edge needed to persuade people—particularly those mass-affluent 35- to 55-year-olds, but younger as well—to

think seriously about tomorrow, and by extension, about Merrill Edge. And do it in a way that didn't sound like all those competitors.

"What's difficult in this category is it's a sea of sameness," says Jessica Henrichs, VP, group director for Starcom USA, Bank of America's media communications agency. "We wanted to build something breakthrough."

They soon uncovered a finding from Stanford cognitive psychologist and associate professor Jeremy Bailenson, founding director of the university's Virtual Human Interaction Lab. Bailenson's team showed that subjects who see an avatar of themselves at an advanced age feel empathy toward their future selves, and become more likely to increase retirement savings.

The campaign spurred by this concept was dubbed "Face Retirement." Initially developed in 2012 as a web application to gauge response for fine-tuning, the campaign relaunched in

February 2014 as a mobile app. Using the app, the consumer takes a selfie and enters his or her age, and the app reveals what that person will look like at retirement age and beyond. To underscore the point, the app offers facts about the projected cost of living at that time, with prices for things like a loaf of bread, a gallon of gas or a wedding. The aged photo is easily shared on Facebook and Twitter. Users can also click the app to access the Merrill Edge website and start exploring or making contact.

Starcom turned to Motion Portrait of Japan to get the aging just right, a long process of trial and error to make sure the experience was realistic and intriguing, so it seemed like users were really interacting with their future selves.

"We were able to create an experience, which then evolved into a marketing campaign, which is the opposite of how things tend to work," says Henrichs.

Bank of America drove traffic to the Face Retirement mobile app via the Merrill Edge website, mobile marketing and digital media.

In the first month, the app was downloaded 11,000 times, delivering a billion total impressions and an 11% share rate. Merrill Edge enjoyed a 9% increase in brand awareness and the opening of more than 635 new retirement accounts. The web app was also covered by Wired, Fast Company, The Wall Street Journal and NBC's Today, and news of the app went viral again when the mobile app launched.

"We started out thinking about providing value, and we believed from there would spring engagement with our brand and then broader awareness, both through sharing the application, word of mouth and then earned media, PR," says Tony Hitchman, senior VP-strategic marketing for Bank of America. "All of our goals and benchmarks were exceeded in terms of awareness and engagement. While we still do see some new accounts that arise directly from this, it wasn't about driving accounts, it was about engagement and awareness."

Among the surprises was the number

of people who used the app to not only create and share their own aged images but also those of friends and family members.

"We found a lot of the social conversations cut across all demographics," says Norman de Greve, exec VP at Starcom. "We saw a lot of people we weren't necessarily expecting catch onto the campaign," such as younger people posting their photos next to their parents' photo from the same age.

Even as the novelty wears off and the buzz dies down, Bank of America expects the app to continue serving as a tool to help customers truly engage with their future, retired selves, says Hitchman. "Once you have that good idea, it's easy to let it drop," because marketers themselves get bored with it. "We can continue to evolve and adapt it."

THE MOBILE MARKETING LESSONS:

■ **Stick with it:** Be patient enough to let ideas fully flesh out, but don't take so long that you miss the market opportunity. Stick with good ideas and evolve them.

■ **Tap mobile's unique properties:** This campaign proved an invaluable source of comparison because it was web-based, then native mobile. The desktop version presented such obstacles as getting the consumer's photo, offering tech support to capture the image and supporting the app across multiple devices. Being native mobile makes it a lot easier to manage photos, and the user can use the swipe and motion functions to interact with the avatar. People also seem more likely to share on mobile.

■ **Be relevant:** "The best mobile marketing revolves around content, utility and personalization, and we hit on all three," says Forrest Plassmann, Starcom's creative lead for "Face Retirement." "When you get to mobile, the expectations are much higher than with a different device. The screen is smaller and the bar is higher."

CAMPAIGN/APP:

SMILEDRIVE

CLIENT: Volkswagen
AGENCY: Deutsch LA

VERTICAL MARKET:
Automotive

**TIMING OF CAMPAIGN/
APP LAUNCH:** Fall 2013

Today's younger consumers are more about engagement and experience than things, and are more interested in their smartphones than in big-ticket items such as cars.

So Volkswagen needed a new way to reach young urbans and show them that its cars are fun and social—much like the iconic brand itself.

"To win them over, you've got to do more than make ads," says Winston Binch, partner and chief digital officer for Deutsch LA, Volkswagen's integrated advertising and digital agency. "We wanted to create a mobile utility targeted toward younger shoppers that would help facilitate sharable VW experiences and also prove the brand beliefs in a unique way. One of those core beliefs is, it's not the miles, it's how you live them."

With more than 112 million Americans spending an average 52 minutes per day in their vehicles, that's a lot of living.

Reaching millennials in particular with messaging about cars is getting tougher, since they are less likely to turn to traditional media, an industry mainstay. "Automotive marketing is progressing into how to be transparent," says Paige Parrent, digital platforms manager for Volkswagen, including being more streamlined and efficient. An app would provide a way to address that as well as the customer's desire for interaction.

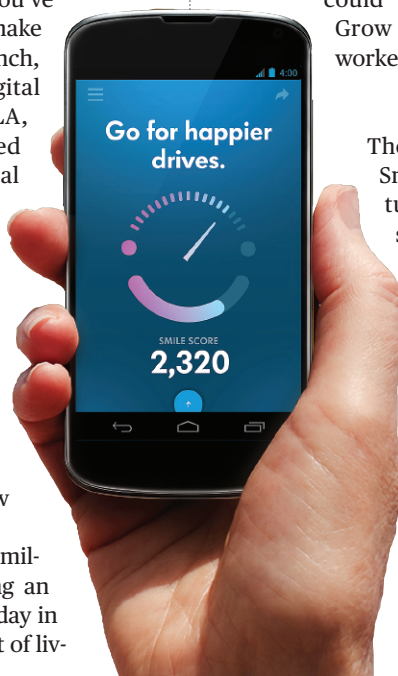
Google had already selected Volkswagen for the Art, Copy & Code initiative, which reimaged iconic ads for the digital age. So the agency, client and Google white-boarded ideas—an app was not a foretold outcome—that would leverage Google technology such as photo sharing and using Bluetooth, which would help ensure the campaign could scale. Digital agency Grow Interactive also worked on the project.

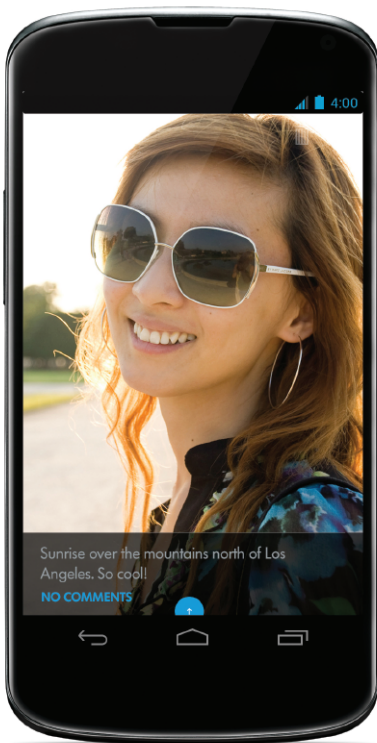
DATA STORY

The result was SmileDrive, an app that turns a drive into a story with data from the car and phone, as well as with gamification. The app connects to any car via Bluetooth, and collects data along the way—not just time and mileage as some apps do, but qualitative markers of the trip. When two VWs pass, for example, it logs punches—a less painful version of the

Punch Dub game featured in previous campaigns, where every time you saw a Volkswagen, you called out the color of the car and lightly punched the person next to you.

It awards virtual stickers for special achievements, like surviving a holiday traffic jam or traveling with friends. And it collects any photos and videos taken along the way into the cloud. By the end of the journey the user has a





“SmileScore” and a shareable video travelogue of his or her drive, complete with an interactive map—even if it was just the daily commute. It’s about capturing the shared car-travel experience, making it social and more fun.

Safety was, of course, a priority—SmileDrive works passively in the background, and is usable only when the car is off, unless a passenger logs in.

The app was unveiled with much fanfare at South by Southwest 2013, earning 90 million impressions before it even beta-launched. Other PR included the Cannes Film Festival, digital marketing and reaching out to Google+ influencers to try it out. In the first three months, the app recorded 230,000 drives, representing 1.1 million miles, and users uploaded 60,000-plus photos to SmileCast. Sessions average nine minutes of active interaction with the app, right in the project’s target range.

Making it available to anyone, not just VW owners, was a key decision in the process. Because users log in with Google+, the team has insight into who is using the app.

“We’re looking to get people in market, but also people not in market, so we create some affinity with the brand so when they do come into the market they think about Volkswagen,” says Adam Sant, VP, experience design director at Deutsch LA.

The team found just 38% of users were VW owners, compared with 62% non-owners, who often drive a Ford, Toyota or Honda. “The idea of having the app be a prospect’s entryway into the Volkswagen family is very powerful,” says VW’s Parrent. SmileDrive isn’t being measured in its ability to drive sales,

though, but in keeping people engaged with the brand with enjoyable driving and a social experience.

VW’s plans for SmileDrive include extending to the iOS platform, integrating the app further with the ownership experience, such as connecting to an owner’s manual and scheduling service, and also continuing to develop it as a prospecting tool.

THE MOBILE MARKETING LESSONS:

■ **Make it an experience:** “We always say the best ads aren’t always ads,” says Binch. “I look

at this as a modern ad. You can still tell a rich story about the brand but also create value and be useful. I think that’s what younger shoppers are looking for. It’s not enough to put out good content and entertain.”

■ **Apps must last:** It’s not enough to create and walk away. Apps in particular must be maintained and developed to remain valuable

and relevant. “That’s not something that we as a brand were necessarily prepared for,” says Parrent, whose team is managing the app along with Deutsch LA.

■ **You don’t have to start from scratch:** Invention is expensive. One of the beauties of digital marketing in general is the ability to build on existing tools—in this case Google’s technology—and then test and refine throughout and after launch.

■ **Do less:** Reduce the scope of ideas to a few minimal, highly functional features

■ **Be shareable.** The visual web is the way of the future. Messages must be compelling enough to share.

■ **Be innovative:** But don’t stray from the core values of the brand.

62%
OF USERS

drove a Ford, Toyota or Honda, not a Volkswagen. The app keeps the VW brand top of mind through an enjoyable driving experience, and aims to influence future purchases.

CAMPAIGN/APP:

PASSBOOK OF SAVINGS

CLIENT: Express

AGENCY: Iris Mobile

VERTICAL MARKET: Retail

TIMING OF CAMPAIGN/APP LAUNCH:

November 2013



Marketing messages bombard consumers from every direction, much of it irrelevant to preferences and needs. So many have become highly skilled at tuning it all out—so even those few messages that are actually meaningful to them don't stand out.

Retailer Express was experiencing just that with the series of glossy direct-mail books it sent out before important events such as Black Friday. Even consumers interested in the apparel retailer's promotions, expressed by opting in to promotional and loyalty programs, tended to lose or ignore the material and missed out on the deals. Emails, once a marketer's dream, tended to get overlooked as well. Express sought a way to stand out.

So after signing Iris Mobile in summer 2013 as its mobile marketing agency, Express' marketers asked for help breaking through the haze.

With the rapid proliferation of mobile phones, marketers now have a way to reach friends of the brand directly with messages they're likely to value. But with 2,000-plus phone models on the market, all with different types, operating systems, screen resolutions, aspect ratios and capabilities, it's tough to create a message that will display well on every screen—a challenge the digital world already faced.

Iris Mobile found a way to overcome this by developing its own approach to rich media messaging (RMM) to deliver images, video, audio and barcodes to virtually any device regardless of wireless carrier and without a data plan. When Iris sends out a message, it gets back data about the recipient's device type, so it can tailor the message to the device's characteristics, making for a better experience. Iris' analytics systems aggregate data on those device types so the agency

knows which ones predominate among customers.

"Every research [study] done around mobile behavior shows that mobile messaging is the No. 1 activity across all age demographics on every single phone," says Cezar Kolodziej, president and co-founder of Iris Mobile. "That's why we combine our adopted and accepted mobile concept for messaging and rich content—images and videos fully optimized to the mobile devices that customers have, and also personalized."

ONE MESSAGE BECOMES THREE

RMM was the medium of choice to help Express meet its goals. The largest group of Express customers, many of whom are millennials, carry iPhones.

"We know based on past messages the more engaging the message, the more likely they are to respond," with images and social sharing attracting the most attention, says Shalini Gupta, director of client services for Iris Mobile. But the team wanted to take this campaign one step further, by helping recipients remember the event and save the offer.

They created a series of offerings leading up to Black Friday to build excitement. For customers with iPhones, the offers combined the compelling fashion images used for the direct mail piece with serialized RMM messages. Each of eight messages had multiple functions: It delivered a compelling image via text to the opt-in audience, drawing initial attention. The message was downloadable to the iPhone Passbook, so consumers could save the offer. And recipients could also save the event to their calendars to trigger reminders, and share it with friends via social media.

Using this approach, one message actually becomes three. Storing the offer on the device keeps it present in the customer's life, driving behavior.

Offers became more time-limited and compelling, starting with a watch discount and leading up to substantial savings offers for Black Friday and Cyber Monday.

Express won't share specifics, but has called "Passbook of Savings" its most successful Black Friday campaign ever, driving high numbers of recipients into the stores where they made purchases. Across Express customers, Iris has found that 99% of RMM messages get opened, and 90% are opened within three minutes of receipt. Younger consumers have demonstrated a strong willingness to share mobile numbers rather than email addresses, so many large brands have amassed cell phone lists that number in the millions, according to Iris Mobile.

RMM will continue to evolve; Iris is already testing use of proximity data from phones to further refine the timing of messaging. "Right now, from a consumer acceptance level, I don't think we're there yet," says Gupta. However, brands can collect valuable insights. "We're tracking traffic and the types of devices people are walking into and out of stores with and what they're doing with devices while they're in-store, what they're browsing. I think that type of data is going to give us tremendous insights as we create future campaigns."

THE MOBILE MARKETING LESSONS:

■ **Think about the humans:** Particularly with all the technical magic of mobile devices, it's easy to get caught up in the gee-whiz capabilities and lose the human beings at the center of the message. Know your customers, what they are willing to do for the experience and how they use their mobile devices.

■ **Content is king:** It's an old saw, but the brand must offer what the customer values, no matter the medium.

■ **Leverage tech to tailor the experience:** Iris Mobile's concept is built around making sure the messaging experience is positive and tailored. "To optimize the user experience based on their mobile type is a key part of this," says Kolodziej. Sending an Android user a call to action to download something to Passbook, an iOS utility, degrades the experience. Work with the customer's natural behavior and the behavior of the handset.



CAMPAIGN/APP:

NEUTROGENA BEACH DEFENSE

CLIENT: Johnson & Johnson
AGENCY: Ansible Mobile

VERTICAL MARKET:
Consumer Goods

**TIMING OF CAMPAIGN/
APP LAUNCH:** April to July, 2013

MARKETERS OF SUNSCREEN PRODUCTS face a lot of obstacles: Sunscreen is a crowded, highly competitive product category, and it's not about showcasing glamorous, luminous skin. It's anticancer protection, delivered via a product that consumers frequently neglect until the moment they need it.

That means a brand needs to be in the fun, outdoorsy locations consumers are headed for on bright, sunny days, when they're most likely to buy sunscreen.

Neutrogena marketers and their digital agency, Ansible Mobile, wanted to take advantage of technology to help serve mobile display ads introducing the

Neutrogena Beach Defense line with not just content, but sunny weather, in mind. Sun care is often advertised in weather-related properties, but those tend to be lackluster environments where users are typically spending mere seconds with the content, often far removed from the moment they'll actually be thinking about a sunscreen purchase. But what if they could display those ads only when the target customer was in ideal sunscreen-using locations and when UV conditions made a sunscreen purchase much more likely?

"Mobile was ideal because the idea of targeting when sunscreen products are top of mind can be incredibly precise,"

“WE KNOW OUR CONSUMER IS DIGITALLY SAVVY AND USING MOBILE DEVICES AT LEAST THREE HOURS A DAY. MOBILE FELT LIKE SUCH A GREAT FIT BECAUSE IT GAVE US THE OPPORTUNITY TO BE TARGETED AND LOCALATIONAL.”

SUZY DEPRIZIO
GROUP BRAND DIRECTOR, SUN AND DIGITAL, NEUTROGENA

says JiYoung Kim, senior VP, creative solutions for Ansible. Mobile campaigns at Ansible are about finding new, finite moments with new places and, when possible, measured via new metrics.

“We know our consumer is digitally savvy and using mobile devices at least three hours a day,” says Suzy Deprizio, group brand director, sun and digital, for Neutrogena. “Mobile felt like such a great fit because it gave us the opportunity to be targeted and locational.”

WEATHER AND LOCATION

To fit those three parameters—UV, location and proximity—the team integrated Thinknear’s mobile network for ad serving with publically available weather feeds and custom location data for prolonged sun exposure areas such as parks, beaches and pools. That transformed standard media properties—in this case mobile web and in-app display ads in the target customers’ favored beauty or lifestyle content—into weather- and location-sensitive properties. This allowed Neutrogena Beach Defense to have a dominant presence in key out-of-home locations when the weather was ideal, in a way that was invisible to the user.

To drive purchases, the campaign had a third component. If geofencing revealed that an individual customer was near a Target store—Neutrogena’s retail partner in the campaign—the ads’ click-through behavior would dynamically change. So instead of being invited to click through to the brand site, the individual could click through to directions to the nearest store and a coupon offer.

The campaign timing was naturally staggered, since it depended on the UV

index reaching a certain threshold. That differs by area of the country, so the first ads started in some locations in April but in others not until later, literally following the sun. The campaign ran through mid-July.

Within the first few months of launch, the mobile campaign exceeded expectations in awareness and intent to buy.

- Neutrogena increased awareness of its new brand from zero to 63%; J&J places a high priority on awareness when measuring its campaigns.

- Brand preference also increased significantly.

- Purchase intent rose 43%.

“It created a way for us to spend the media dollars only when the conditions were ideal,” says Kim. “It’s almost a contextually programmatic way of spending their dollars.”

The campaign’s success drove Neutrogena to run it again in 2014, as well as increasing its spend on this program and on mobile. This time the campaign ties in to Target’s Cartwheel mobile coupon program to add even more value and convenience. In the first week of the 2014 run alone, Beach Defense drew 54 million impressions.

Neutrogena is bringing the experience it gained with geofencing and weather-triggered targeting tied to retail learned in Beach Defense into other projects, including its annual Choose Skin Health skin cancer prevention campaign.

The Beach Defense campaign represents a new, more mature role for mobile in CPG marketing, says Kim. “When mobile was more an accessory and not a

major part of brand budgets, there were a lot of flashy things that were done in the market to try to garner attention towards mobile,” says Kim. “This a great way it has settled down, at least at J&J, so it’s a lot more about doing the basic things, but better through mobile.”

THE MOBILE MARKETING LESSONS:

- **Market to moments:** Because mobile data includes location, it adds more depth to a target profile. As a result, “you can start to target states of being or mood,” such as being bored or hungry, says Kim. With Beach Defense, it’s the moment when winter passes and you start to feel heat on your skin, and will need protection.

- **Remember the basics:** The best use of mobile isn’t to be flashy because you can. It’s all about using mobile to do the basic block and tackle of marketing better by taking advantage of mobile’s unique properties and capabilities.

- **Close the loop:** By leveraging data on proximity to preferred retailers and delivering directions and an offer, this campaign took an extra step toward closing the loop and providing even more value. “Getting to a mobile coupon and linking to retail takes it to the next level to deliver value to the consumer right on the phone,” says Deprizio.

- **Raise your expectations:** Mobile opens the door to market in new ways. “Expect more from mobile,” says Kim. “Look to it to open doors that weren’t easy to open before,” well beyond creating awareness. It can do much more. “That’s not where the biggest gratification is coming from.”

CAMPAIGN/APP:

AVOID HUMANS

CLIENT: GSD&M
AGENCY: GSD&M

VERTICAL MARKET:
Travel/B2B

TIMING OF CAMPAIGN/APP
LAUNCH: South by Southwest 2014

THE WORLDS OF MUSIC, film and interactive converge in Austin, Texas, for South by Southwest (SXSW) every March in a confluence of cool. Few locals would disagree that the wildly successful growth of the festival, an overlapping series of events that now attracts tens of thousands, has been great for the area economy. But as any resident of a popular hot spot can tell you, having all that company can get a little wearing after a while. Festivalgoers can also get crowd fatigue.

The team at GSD&M, a full-service ad agency, looks forward to the unrivaled opportunity SXSW presents to flex its creative muscles in front of industry glitterati each year, through an annual party and, several times, an app. But as both natives and participants, team members are the first to admit it can get to be too much.

"There was an unsaid cultural conscience that a little overcrowding was starting to happen," says Scott Brewer, group creative director for GSD&M.

So as the team was preparing for this year's event, it decided to use its stage to tap into that sentiment.

"The idea was to, in a tongue-in-cheek way, to play off that with an app not that invited people to get together, but to actually avoid each other," Brewer says. "It's a little bit of a zig when people expected us to zag."

The result was Avoid Humans, an app that reverse-engineers check-ins at area hot spots made via Foursquare and Instagram so users can avoid places that

are too crowded, then recommends great alternatives where there is some elbow room to be had. The social-media APIs are cross-referenced against GSD&M's recommendations gleaned from its close knowledge of the city.

"It's a chance to showcase our development muscle and capabilities as an agency and have fun with it," says Matt Garcia, junior writer at GSD&M. "I'd been playing with the antisocial idea for quite a while."

GSD&M had just 10 days to develop, test, proof and launch the app, with most of that time spent on testing and refining.

It knew the highest interest would come in advance of the event, so it was launched with a single tweet during the week before SXSW.

Within six hours, the app was trending on Twitter within Austin. Avoid Humans went on to draw 3.2 million Twitter impressions, and a quarter of the overlapping events' 70,000-plus attendees accessed and used the app. It was

one of the top three talked-about startups during SXSW over Twitter. People in other cities chimed in to say it worked in their locations, too—without the local recommendations.

Avoid Humans also drew lots of earned media across the globe, from local news coverage to PSFK, Daily Dot and the front page of USAToday.com. PSFK called it one of the most talked-about SXSW initiatives, after Twitter and Grumpy Cat.

For GSD&M, the app was a hit on other fronts as well. "This goes into our library of capabilities we have," says Jefferson Burruss, executive producer at GSD&M.

"There is a value proposition more than building our brand, because we always take what we learn and apply it throughout our work."

Agencies often showcase their work on client campaigns, but this app took a different approach to brand-building by making marketers themselves part of the target audience.

"It's a perfect reflection not only of our ability to create and launch a mobile-centric product in a short amount of time, but the way to approach any campaign is to have a knowledge of the landscape you're launching into," says Brewer. "I think we did that with a lot of personality, and across the board got great feedback from fellow agencies and people coming to town. So I think that's a huge step for our agency. This app was our chance to show our ability to meet any need and through any technology necessary."

THE MOBILE MARKETING LESSONS:

■ **Leverage the best of mobile:** Tap location, gamification, context and more. "Make it really visual, really intuitive—more than just simple—and you make it social. And if you can make it fun at the same time, you have a winner on your hands," says Burruss.

■ **Don't be afraid to fail:** One of the great advantages of digital and mobile in particular is the chance to test and experiment.

■ **Remember the humans:** The insight and emotional connection must be there. Start with the why, how and who before getting to the what technology. This app touched on a cultural vibe around the role of social media. "The entire landscape of check-ins had gotten to that point and needed to be made fun of a little," says Brewer.

■ **Commit to the long term:** Apps in particular can potentially live for a long time. They not only need to be maintained, they need to be enhanced. GSD&M closely tracks analytics for how people use the app with future feature development in mind.

■ **Be nimble and opportunistic:** Agencies need to be organized to act quickly and cohesively.



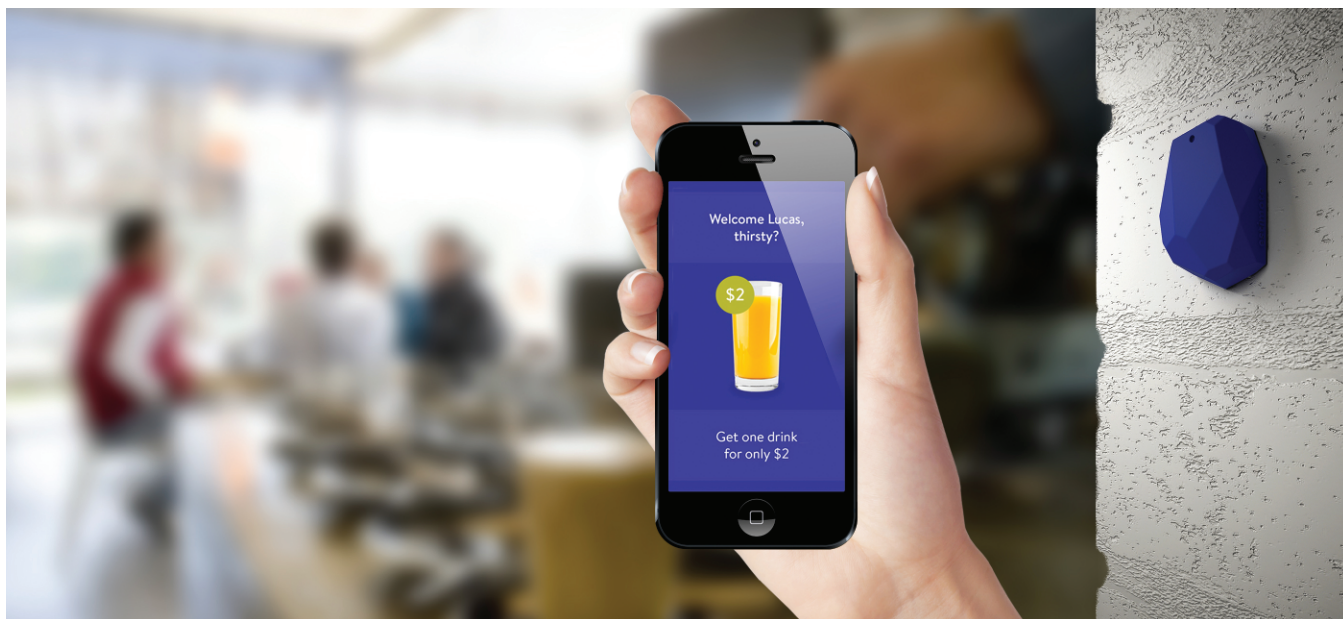


PHOTO COURTESY OF ESTIMATE

CAMPAIGN/APP:

IBEACONS AND BLE

CLIENT: Multiple
AGENCY: All

VERTICAL MARKET:
All

TIMING OF CAMPAIGN/APP
LAUNCH: Now

IT'S THE NEXT HOT TREND in mobile marketing: beacons, also known by Apple's name, iBeacon—which can also be used with Android. Beacons are small, inexpensive devices that transmit messages or prompts directly to a smartphone or tablet at close range, and many expect them to have a big impact on marketing.

Beacons come in a variety of shapes about the size of a deck of cards and can be installed anywhere, but are particularly popular for indoor locations where weak cell signals make GPS unreliable. They employ Bluetooth low-energy (a.k.a., Bluetooth Smart) technology to pick up signals that emanate from mobile devices. Gartner calls high-precision location sensing a top 10 mobile technology and capability for 2015 and 2016.

Beacons are taking off as retailers, entertainment venues, transit services, educators, museums, attractions and others realize their value in leveraging data about a user's location for seamless advertising, offers, loyalty and payments as well as way-finding and mobile guides. To use beacons, a consumer needs to turn on Bluetooth in the phone, allow location sharing with the mobile app and opt-in to notifications.

Retail tests just started popping up in 2013 at companies such as American Eagle, Timberland, Kenneth Cole and Safeway, as well as other vertical markets. Some of the more prominent examples include:

■ **Major League Baseball**, which is in the midst of rolling out iBeacons at 20 ballparks. Fans can use them to automatically check in to every game and receive

exclusive offers. The NFL has also used beacons.

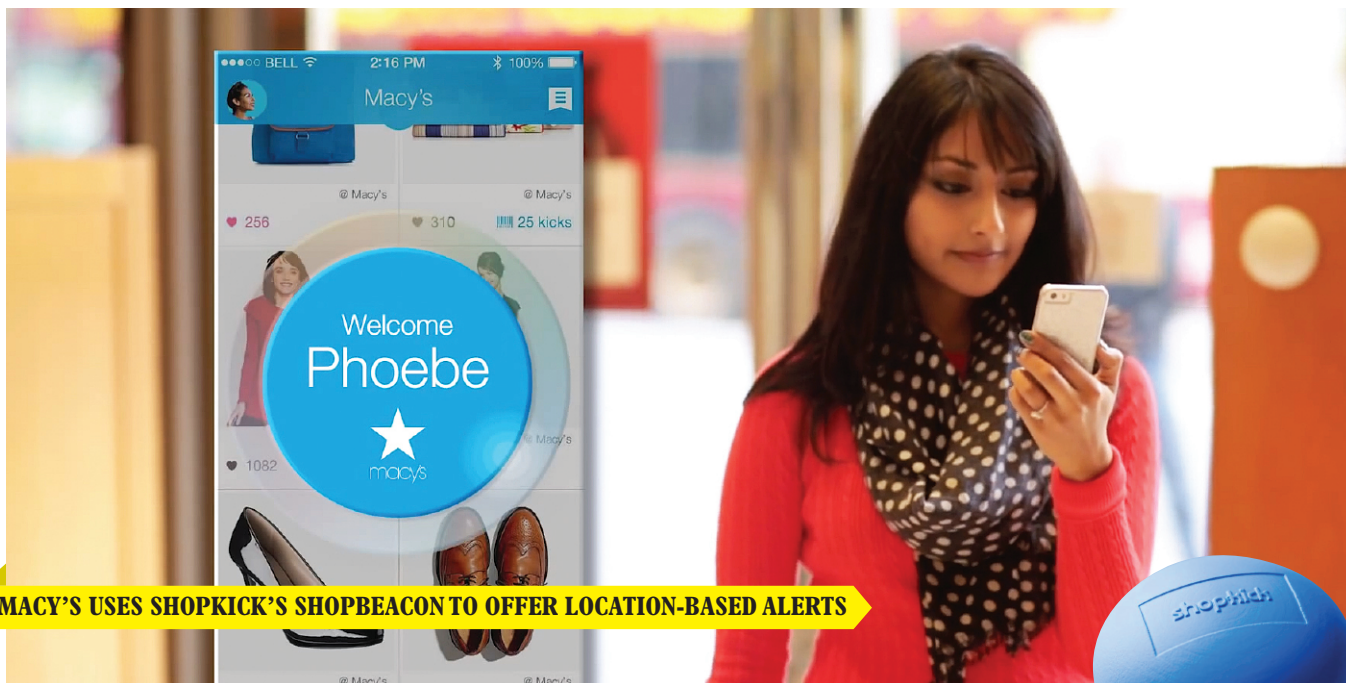
■ In a five-week pilot, discount retailer **Dollar General** drove customers to sign up for its iBeacon program in order to receive discounts, retailer-specific content and a look book with selected specialty items. More than 7,200 customers in the high-volume stores where the campaign was promoted downloaded the app.

■ **Macy's** beta-tested iBeacons to offer location-based alerts related to the department the shopper is visiting. In a CRM tie-in, customers who "like" a specific product in the app can be reminded of that product when they enter a store that sells it.

■ At **Apple stores**, iBeacons notify opted-in customers when their orders are ready, and let customers know about phone upgrades when visiting the iPhone section, among other uses.

These are early days in beacon marketing. Because of that, most adopters are not keen on sharing their experiences so far.

But that hasn't dampened enthusiasm. "I think beacons are pretty interesting because all of a sudden you can deliv-



er these stories and experiences back to the consumer through the phone,” says Daniel Diez, global CMO for mobile agency R/GA. “That’s a great next step in the evolution of mobile.”

Beacons are a strong enabler of a huge trend: location-based marketing. “In general, [location] is getting there, but it’s tough,” says Molly Garriss, digital strategy director at Leo Burnett Worldwide. GPS can offer some data on a phone user’s location, but “cell towers have pretty big margins of error,” Garriss explains. Technologies such as NFC and, more recently, beacons are helping marketers micro-locate individual users. “Using location is going to keep getting better and better. We’re trying to get our brands thinking about location and piloting, so that when it’s ready for prime time, they’ve gotten some experience and learnings under

their belts,” Garriss says.

Most early uses of beacons entail one-way communication, brand to audience. At the National Retail Federation BIG Show in New York in January, Zebra

Technologies, through its Zatar division, demonstrated how beacons can make that two-way. Zatar took its lead from the movie *Minority Report*: Tom Cruise enters a Gap store, his eyes are automatically scanned for identification and the display in front of him changes to deliver a customized message. Zatar brought iBeacons and the internet of things together to create a similar experience: When a device is

close to the beacon, and the status is updated in Zatar – a cloud platform for the internet of things – a customized message appears on a public display making a personalized shoe recommen-

dation based on known preferences of a nearby customer and offering that shopper a special sale price.

Many current beacon installations are in the pilot phase, and for good reason. While marketers recognize their potential power, little is yet known about how to deliver a personalized experience that doesn’t cross the line into creepy. With consumers’ response far from understood, many marketers are cautious about heading full-steam into beacon applications.

In a March 12, 2014, story in *Ad Age*, Paul Elliott, managing partner at Rosetta, a customer engagement agency in the Publicis Groupe, admonished marketers to proceed cautiously into beacons and related technologies: “Please don’t ruin it for the rest of us. Invest the time, energy and expertise required to know and deliver precisely what individual shoppers want in their hands.”

Once that balance is struck, however, many are bullish that beacons will play a vital role in the next phase of mobile marketing.

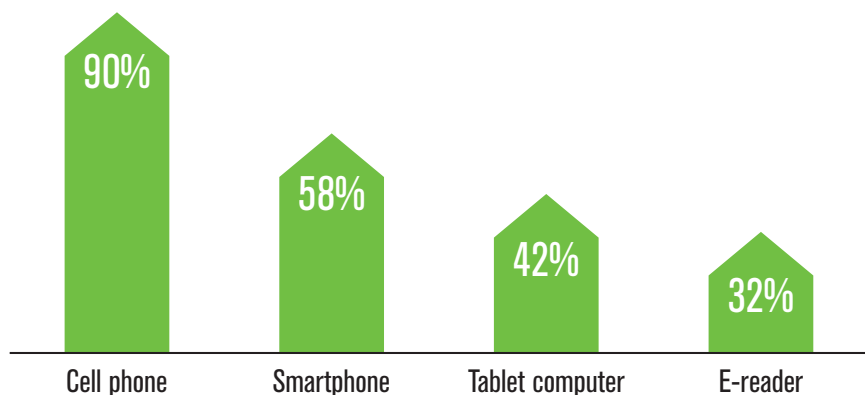
72
HUNDRED
Dollar General customers downloaded an app that serves them discounts via a beacon

CONCLUSION

More than half of U.S. adults own a smartphone

These are heady days in mobile marketing, as the practice gains in respect at the same time rapid technical innovation is opening up mind-boggling new ways to use mobile. But like any newly forged territory, it's best to proceed with caution. Marketers who pay close attention to the audience and their evolving relationships with their mobile devices stand the best chance of making optimal use of this exciting medium.

PERCENTAGE OF AMERICAN ADULTS WHO OWN:



Source: Pew Research Internet Project, Jan. 2014, <http://www.pewinternet.org/data-trend/mobile/device-ownership/>

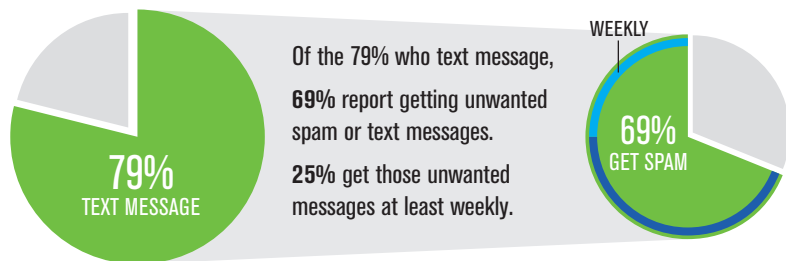
MOBILE MARKETING RED FLAGS:

Percentage of cell owners who receive unwanted sales or marketing calls at one time or another:

68%

Cell owners who report this happens at least a few times a week:

25%



Source: Pew Research Center's Internet & American Life Project Spring Tracking Survey April 2013, <http://pewinternet.org/Reports/2013/Cell-Activities.aspx>

WHAT THEY DO ON THE GO:

Percentage of American adults who:

Send or receive text messages:

81%

Access the internet:

60%

Send and receive email from a mobile device:

52%

Download apps:

50%

Get directions, recommendations or other location-based info:

49%

Decide whether to visit a business, such as a restaurant:

30%

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