

iLoop Mobile Dials into Marketing ROI with Expanded Platform and New Resource Hub

Recent advances in mobile devices and related technologies and standards make it possible for companies to capitalize on mobile marketing as a ubiquitous way to reach consumers on the go in a relevant, engaging, and profitable manner. In fact, according to the August 2009 Aberdeen benchmark report [*Mobile Marketing: Why It Pays to Reach Consumers on the Go*](#), 62% of companies are increasing their budgets for mobile marketing even as they cut their marketing-related expenditures in many other areas. Yet there remains a great deal of uncertainty in the marketplace when it comes to best practices and how to see effective return on investment (ROI) in mobile marketing implementation and measurement. There also remains the challenge of often needing to work with multiple vendors in order to address all of a company's mobile marketing needs. One solution provider that is addressing the need for measurable ROI, solutions integration and mobile marketing education is iLoop Mobile. The company recently expanded its campaign creation, management and analytics capabilities with the launch of version 5.2 of the iLoop Mobile Platform. It also recently released its online Mobile Marketing Resource Center, a knowledge portal for sharing best practices for ROI in mobile marketing.

The Need for Mobile Marketing

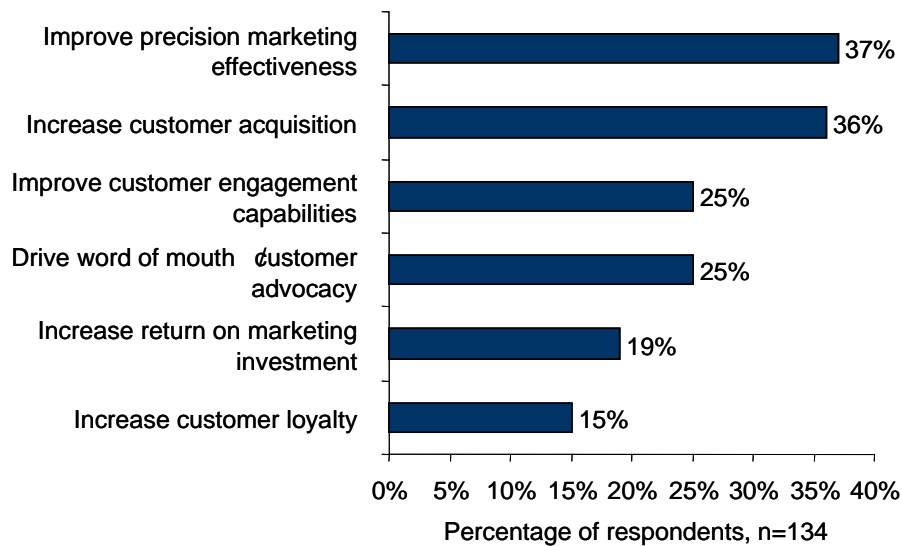
Multiple pressures and external factors are causing a growing number of companies to turn their attention to the mobile channel. According to the August 2009 Aberdeen benchmark report [*Mobile Marketing: Why It Pays to Reach Consumers on the Go*](#), the incessant need to increase customer acquisition ranks as the most important factor for deploying a mobile marketing solution for Best-in-Class companies.

At the same time, the need to improve precision marketing effectiveness, defined as sending the right message to the right consumer at the right point in time through the right channel (in this case, the mobile channel), emerged as the number one pressure compelling all companies to venture down the mobile marketing path. The top pressures, which are shared almost equally by Best-in-Class, Industry Average, and Laggard companies, are shown in Figure 1.

Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

Figure 1: Top Pressures - All Respondents



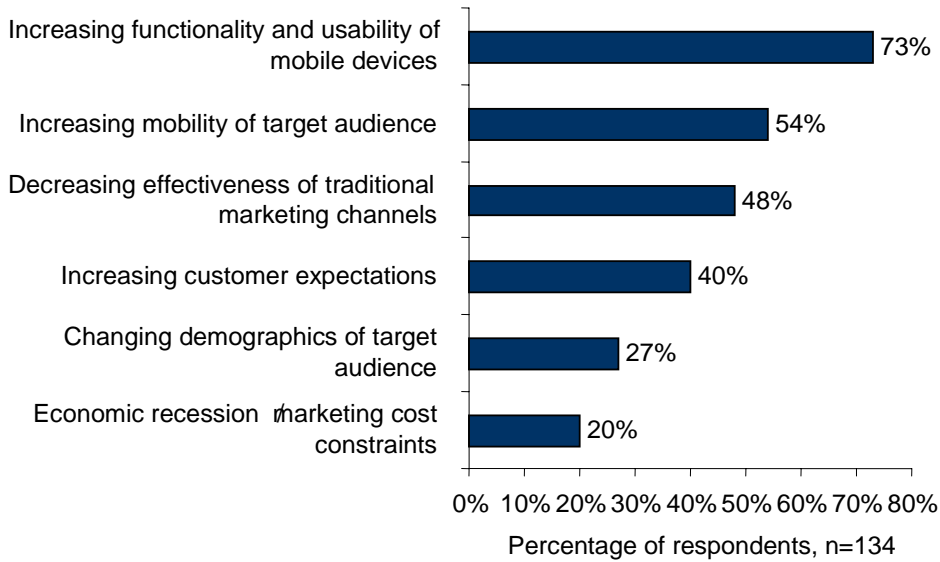
Source: Aberdeen Group, August 2009

In addition to the decreasing effectiveness of traditional marketing channels, a confluence of other, tangentially related factors are compelling companies to embrace mobile marketing as a key marketing lever. As shown in Figure 2, these factors include the increasing mobility and changing demographics of the target audience.

Current economic conditions also play a role, with one-fifth (20%) of survey respondents indicating that the recession has imposed marketing cost constraints. In many cases, these constraints have had the effect of fueling rather than curtailing mobile marketing activities as companies look to reallocate their marketing spend from high-cost channels like traditional media to low-cost channels like online and mobile marketing.

Nearly three-quarters (73%) of survey respondents agree that the most important catalyst for mobile marketing adoption is the vastly improved functionality and usability of mobile devices. The increasing popularity of smart phones with large screens, full keyboard functionality and advanced video display capabilities is ushering in a new era of mobile interactivity, although these phones still account for only a small percentage of total mobile devices currently in use.

Figure 2: External Factors - All Respondents



Source: Aberdeen Group, August 2009

Another key enabler is the advent of 3G wireless service, which provides high data speed and always-on data access. Together, these technologies are allowing a growing number of companies and consumers to witness the real potential of mobile marketing as a vehicle for delivering high-fidelity, high-impact brand experiences.

The Need for Education

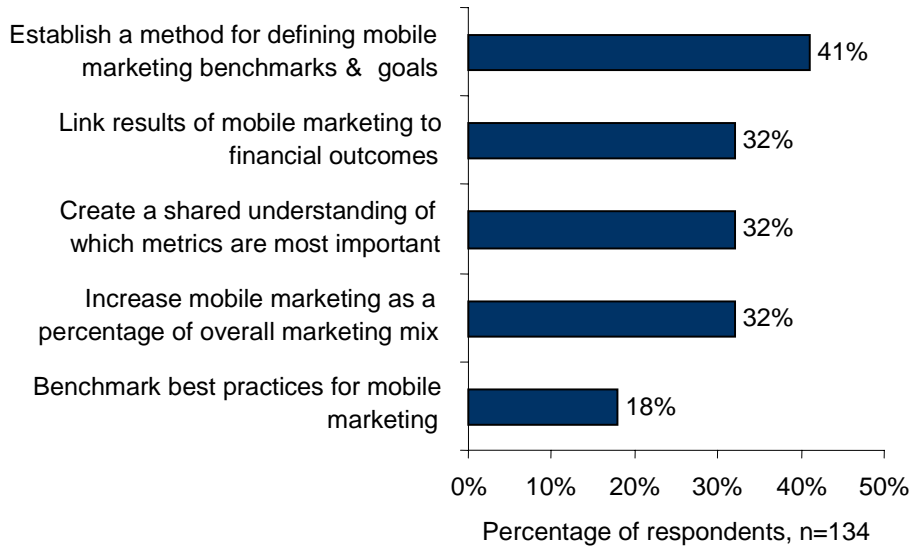
Best-in-Class companies are taking a variety of strategic actions to alleviate the broad mix of pressures outlined above. The fact that "establish a method for defining mobile marketing benchmarks and goals" emerged as the top strategic action, as shown in Figure 3, points to the fact that, for most companies, the mobile marketing program is still nascent.

In terms of defining best practices for mobile marketing, companies are well-advised to look beyond the confines of their own industry sectors and to adopt successful approaches no matter where the ideas may have originated. Other strategic actions, such as "linking the results of mobile marketing campaigns to costs and revenue contribution" and "creating a shared understanding of which mobile marketing metrics are important" speak to the value of the mobile channel for driving improved marketing ROI but also the need to implement performance metrics to track and measure financial outcomes over time.

"Integrated with the printed advertisement in Money Mailer shared mail or other printed media, mobile marketing can make real time communication with customers to drive traffic that advertisers are looking for. Restaurants can use it to fill seats on slow days, car washes can use it to react to inclement weather. Mobile marketing is a tangible medium that when tracked and measured can show the results of what mobile marketing can do for local businesses."

~ Steven Gray, Chief Operating Officer, Money Mailer

Figure 3: Strategic Actions - Best-in-Class Companies



Source: Aberdeen Group, August 2009

Successful ROI in mobile marketing also requires that companies define performance metrics for measuring effectiveness. Such performance metrics make it possible to increase the value of mobile marketing programs over time. According to Aberdeen research, Best-in-Class companies are currently 10-times more likely than Laggards to have defined performance metrics in place for measuring mobile marketing effectiveness. Yet, only 29% of Best-in-Class companies have defined performance metrics. At the same time, only 21% of Laggards, compared to 31% of Best-in-Class companies, have defined best practices for executing a mobile marketing campaign.

Clearly, companies need to adopt best practices for mobile marketing campaign development and execution as well as for mobile marketing ROI measurement. Beyond the Aberdeen benchmark report, there are several valuable sources of best practices related to mobile marketing campaigns that companies can readily adapt to their own needs in order to avoid common pitfalls and increase effectiveness.

A good starting place is the Mobile Marketing Association (MMA) website, which features hundreds of MMA member client case studies across multiple industry verticals. The Direct Marketing Association (DMA) and the Interactive Advertising Bureau (IAB) offer mobile marketing guidelines and strategies as well as related research around best practices and can also serve as valuable resources.

To further educate the marketplace, some solutions providers are launching their own knowledge centers. A good example is the [Mobile Marketing Resource Center](#), which iLoop Mobile unveiled earlier this month. The site provides functionality that enables customers, channel partners and others

interested in mobile marketing to access a library of reports, case studies, courseware and most importantly how to define and achieve ROI in the mobile channel. Companies can also private label the Mobile Marketing Resource Center as an in-house tool for educating employees and channel partners, who can contribute and publish their own content. iLoop Mobile also launched an offering called Mobile Marketing Campaign Packages, which are preconfigured mobile campaigns designed to deliver ROI for customer acquisition, brand awareness, loyalty, promotions/ coupons, content delivery, customer service and other key marketing objectives.

The Need for Platform Integration

According to Aberdeen research, 60% of Best-in-Class companies use a mobile/interactive marketing agency to develop and manage their mobile marketing, mobile advertising and mobile content distribution activities. A large number of major companies, including Coca-Cola, Comcast, Lexus, Hardee's, Western Union, Paramount Pictures, Warner Bros., Sony, Deutsche Bank, Weather Channel, E! Entertainment and HP, are clients of iLoop Mobile, which also works with a constellation of full service marketing/advertising agencies such as Money Mailer, Harte-Hanks, Merkle, Ogilvy, Tribal DDB Worldwide, BBDO and Access 360 Media.

iLoop Mobile competes against mobile campaign tool vendors on a number of fronts. For example, for mobile web services it may compete with the likes of a Quattro Wireless or Crisp Wireless. On the messaging front it may compete with a Vibes Media, Waterfall Mobile or similar messaging provider. What sets iLoop Mobile apart is the ability to consolidate the majority of a company's mobile marketing channels (e.g., Internet, SMS, Web) into a single company creation/campaign/administration platform. The platform's open architecture strategy enables companies to integrate mobile into their core CRM, advertising and integrated traditional and new marketing programs.

Developing and executing a mobile marketing campaign typically involves a wide range of technology enablers, from SMS messaging solutions and mobile Internet hosting and delivery services for delivering content across disparate mobile networks (and the thousands of types of mobile devices), to dynamic ad delivery platforms, which use campaign management software to deliver targeted ads to a publisher's mobile content based on a set of predefined criteria. Aberdeen research shows that content management systems and data mining and analytics solutions, such as those offered by iLoop Mobile, are necessary in building effective mobile marketing campaigns that generate ROI as they stand out as technology enablers in wide use by Best-in-Class companies.

A content management system makes it possible to create, edit, manage and publish mobile content, including text, images and video applications in multiple formats tailored to both the network and the target device. This is important, given the multitude of carrier, operating system and mobile device requirements. According to Aberdeen research, 67% of Best-in-Class

"You can never anticipate all the requirements that a client may have from you and iLoop Mobile has been very helpful in enabling us to meet those requirements. The company has extended itself through analytics and content management as well as on the creative side."

~ Chris Goumas, Senior Vice
President of Retail and
Marketing Solutions,
Access360Media

companies use a content management system compared to only 21% of Laggards.

With the release of version 5.2 of its platform, iLoop Mobile now provides a comprehensive mobile campaign creation, management and analytic solution. New platform features include advanced mobile campaign reporting and analytics, SMS alerts with CRM targeted messaging, expanded APIs, multi-byte characters for all international languages and viral marketing applications. The licensed SaaS self-serve platform, along with the Campaign Packages, are designed to help companies achieve significantly increased ROI in mobile marketing, surpassing the performance of marketing channels like email, print, Web ads and other traditional marketing channels.

Case in Point: Money Mailer, Access 360 Media, E! Entertainment and The Weather Channel

A leading provider of targeted local advertising, with nearly 600 franchises in the United States, Money Mailer offers marketing solutions, including direct mail and online coupon distribution, that serve thousands of companies and reach tens of millions of consumer households. Integrating the iLoop Mobile Platform in its proprietary order system, Money Mailer two years ago expanded its capabilities with mobile marketing solutions that are delivering consistent ROI for its clients.

"Integrated with the printed advertisement in Money Mailer shared mail or other printed media, mobile marketing can make real time communication with customers to drive traffic that advertisers are looking for," says Steven Gray, Chief Operating Officer of Money Mailer. "Restaurants can use it to fill seats on slow days, car washes can use it to react to inclement weather. Mobile marketing is a tangible medium that when tracked and measured can show the results of what mobile marketing can do for local businesses."

One success story comes from a franchise location of a top five fast food restaurant chain that encourages its franchisees to find new ways of competing in the market place. This franchisee turned to the mobile channel to market its restaurant to the local community. To improve the amount of daily transactions and increase customer profitability, Money Mailer provided the franchisee with an iLoop Mobile powered integrated mobile marketing campaign encouraging customers to opt-in to receive mobile text message promotions for free drink items and other discounts.

The franchisee created in-store banners with the mobile call to action (keyword/shortcode) and counter cards that the drive-thru attendant would give to customers. The mobile campaign component was a fraction of the cost of the overall shared mail campaign, yet boosted the redemption rate of Money Mailer's offers to nearly double the amount that was being generated by shared mail alone. The result was an increase in the opt-in database by more than 23% the first ten days they were used. Most importantly, the restaurant was able to achieve more than a \$20-to-\$1 ROI with the integrated shared mail/mobile integrated campaign. The redemption rate on the mobile messages was reported to be 17%.

"Mobile marketing integrated with our print mailer has become a key part of our marketing and advertising mix. The introduction of mobile coupons has significantly increased my business during slow periods."

~ Joe Markoff, Owner of Oggi's
Pizza in Chula Vista, California

Another example is Oggi's Pizza location in Chula Vista, California. Part of the regional, West Coast franchise chain, Oggi's Pizza wanted a cutting edge solution for connecting with families and younger consumers in the local community. Oggi's Pizza sought to design an integrated direct marketing campaign that targeted this audience. They turned to Money Mailer's SMS text mobile marketing platform, enabled by iLoop Mobile.

With the aim of increasing customer visits in an economic climate where consumers are looking for ways to cut-back their spending, Oggi's Pizza reached out to local residents and professionals with messages that emphasized affordability and cost savings. To familiarize management and employees with the mobile marketing solution, the management conducted a training session which included information for integrating the offer into the point of sale system and analyzing campaign results. Plus, every employee was trained on how to help customers opt-in to the offer.

A shared mail piece kicked off the integrated direct marketing campaign. The piece clearly had a call to action encouraging recipients to text "OGGISCV" to "686868" to receive a free pizza coupon text message. In store table tents, window clings and menu cards reinforced the call to action. Within just a few months after the launch of the campaign, Oggi's had hundreds of consumers opt-in to receive text message coupons.

The print and mobile integrated campaign made a significant impact on Oggi's Pizza's ability to overcome some of the economic challenges it faced. With more than one-third of the restaurant's revenue coming from money savings offers, Oggi's Pizza relies heavily on marketing discount opportunities to local residents and business crowds. Their integrated campaigns represent nearly 70 percent of the revenue Oggi's Pizza generates from savings offers.

"Mobile marketing integrated with our print mailer has become a key part of our marketing and advertising mix," said Joe Markoff, Owner of Oggi's Pizza in Chula Vista, California. "The introduction of mobile coupons has significantly increased my business during slow periods."

Over the last 12 months, Money Mailer has run over a thousand mobile marketing campaigns on behalf of local businesses, powered by iLoop Mobile's platform and services. By simply including a text messaging call-to-action on the advertisement, businesses are often seeing a 3.5-to-1 uplift in consumer response to the paper coupons, with between 2-11% opt-in rates and 8-20% redemption rates across many campaigns. Typical print mailings with a mobile call to action result in hundreds of new database acquisitions for small local businesses, with one local restaurant building a database for regular SMS messaging of over 400 customers in only the first six weeks. These are impressive return on investment results, by any measure, and significantly pass standard return rates of other media like email or Web display advertising.

Other companies using the iLoop Mobile campaign solutions are seeing significant ROI in creating and analyzing their mobile channel initiatives.

"The iLoop Mobile Platform helped us get our mobile publishing efforts off the ground without significant capital investment. We're currently looking to integrate the platform with our content management system."

~ Michael Waghalter, Director,
Business Development and
Digital, Comcast Entertainment
Group

Access 360 Media, a leading interactive/digital media agency with a mobile division called Mobile360, has recorded double digit opt-ins and conversion rates for SMS campaigns. One campaign recorded 23% redemption—7 times the rate of other direct marketing offers—with less than 1% opt-out. Another Mobile360 mobile coupon subscription campaign enjoyed 10,000 subscribers in the first two weeks, growing to over 50,000 in eight months—and still growing.

E! Entertainment (Comcast Entertainment Group) and the Weather Channel are also using iLoop Mobile solutions for content delivery via mobile sites, SMS messaging and other mobile initiatives. Both companies are achieving positive ROI from high volume user numbers and page views that make the mobile channel a key part of their current business strategy. According to Michael Waghalter, director of business development and digital at Comcast Entertainment Group, time to market was much shorter and less costly than expected. "We were able to get our mobile publishing efforts off the ground without significant capital investment," he says. "Mobile is a profitable channel for us. We have more than doubled our unique visitors and pages views over last year."

Key Takeaways

Aberdeen research shows that, for many consumer brands, mobile marketing has until recently been uncharted territory, with relatively few companies able to tout a significant track record of experience. In fact, only 19% of survey respondents indicate that their companies have implemented mobile marketing for more than two years, compared to 22% of respondents that report that their companies have made their initial forays into mobile marketing only within the past six months.

In order to realize ROI in mobile marketing, companies need to gain access to not only the right set of enabling technologies but also the strategic guidance that can help them understand best practices for mobile marketing effectiveness, based on the successes and failures of mobile campaigns across multiple industry sectors. By offering an integrated solutions platform, as well as a robust educational component in the form of the Mobile Marketing Resource Center, iLoop Mobile is addressing the critical gap in producing proven ROI in mobile marketing.

For more information on this or other research topics, please visit www.aberdeen.com

Related Research

[Mobile Marketing: Why it Pays to Reach Consumers on the Go](#); August 2009
[Companies Call on Mobile Marketing to Drive Consumer Engagement and ROMI](#); January 2009

[Most Companies are Reallocating their Planned Marketing Spend - But How?](#); March 2009
[Mobile Marketing: Going Direct to Consumers' Hips, Pockets and Purses](#); October 2008

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