

Focused mobile marketing



**New Mobile
Services shaping
the future**



**Close
connection
with
consumers**

NOKIA
CONNECTING PEOPLE



Mobile phone as a marketing medium

Consumers today are less responsive to traditional marketing than they used to be*. They are embracing new technologies that empower them with more control over what, how and when they are marketed to. More and more purchase decisions are made in environments where traditional media have less direct influence.

Marketing that relies too heavily on traditional marketing tactics and that is not exploring new technologies and connection points does not work. In addition, some of the basic forms of mobile marketing implemented with direct text messages has shown to be a less wanted – and in some cases even totally rejected – way to get advertising. New channels are needed to reach and acquire customers.

The mobile phone as a marketing medium provides a wide range of opportunities to marketers, marketing service providers and mobile operators. Brands from all sectors are already using mobile communications as an integral part of their marketing in communicating with millions of consumers.

The most common mobile marketing formats include text messaging based sales promotions for consumer packaged goods, and those linked to direct response advertising and interactive television programming. Companies of all sizes are boosting customer service through mobile

alerts, reminders, portals and applications. Driving sales via mobile vouchers or rewarding purchases with free mobile content are also popular approaches.

Closer connection with consumers

The mobile channel is an ultimate one-to-one medium. As resistance to mass advertising is increasing, mobile marketing offers a closer connection with individual consumers – and one that also enables them to interact with the brand. The new medium puts people in control of what they receive, when and where they receive it. By providing relevant, genuinely valuable services and information, anytime, anywhere, it has the capacity to deeply integrate brands into the lifestyles of consumers.

The mobile phone is the most personal of communication technologies: ubiquitous, trusted, an integral and intimate component of everyone's lifestyle. When contrasted with fragmented traditional media, mobile communication as a marketing medium represents a more effective, cost efficient and measurable means of building a closer, more personal relationship with the consumer.

These unique attributes of mobile marketing correlate with a growing desire on the part of consumers for a greater ability to interact with brands when they want to, while satisfying marketers'



ambitions to develop deeper consumer experiences through interaction that enables consumers to respond creatively.

Context-aware marketing builds and expands business opportunities

Local and mobile marketing business solutions bring the marketers and marketing service providers together with telecommunications, marketing technology, media and broadcasting industries and opens new opportunities for them all.

With the advent of novel mobile technologies such as non-cellular local solutions based on Bluetooth, WLAN, and RFID technologies marketing will move to next level. These technologies will unleash context-aware marketing, where mobile marketing applications are aware of the circumstances of the consumer and can thus provide them with personally relevant services, local information and advertising the way they want it, when they want it.

Mobile operator needs

Virtually all mobile operators have for some years now already provided consumers with mobile data services. For example, phone services such as ring tones, backgrounds and screen savers are very popular. In addition to these services, mobile operators also provide access to a wide range of non-mobile phone related services such as weather, news and sports services. Most of these services are accessed via SMS or with the phone's WAP/WWW-browser.

Despite the large growth in the number of new mobile databased services, the increase in corresponding revenue has been smaller than anticipated. There are several reasons to this, but the most significant hurdles for consumers in the first phase are the difficulty in discovering the service, and when found, in initiating and using the service.

* "The Vanishing Mass Market" by Anthony Bianco, Tom Lowry, Robert Berner, Michael Arndt, Ronald Grover. Business Week, July 7, 2004

"Nightmare on Madison Avenue" by Devin Leonard. Fortune, June 14, 2004

Mobile operators have made big investments to make it possible to provide mobile data services. It is difficult for the mobile operator to inform its consumers when there is a new mobile data service available. The potential of using Bluetooth has not yet been utilized by mobile operators as a mean to market services.

Content owner needs

In this context, a content owner is a company providing any type of content to consumers through mobile phones. Currently, the most typical content owners are companies providing, for example news, sports, stock, and weather reports. These companies typically provide WAP and/or SMS based-services, but also provide WWW-pages customized for access from mobile phones. Virtually any company providing their services for consumers could be a content owner, including different kinds of stores, kiosks, restaurants, shopping centers, movie theatres, video rentals, retailers etc. These companies could provide access to services through phones, for example advertising their toll-free numbers and WWW-addresses, special offers, campaigns and competitions. Unfortunately, there are only a limited number of channels for effectively advertising digital services. Although the mobile phone services of content owners are accessible and can be advertised in newspapers, on television, on the radio or in posters, the consumers have to enter SMS codes and URLs manually in their phones to access these services. For

content owners as well, mobile marketing using Bluetooth is still unexploited.

Local services easily

With the Nokia Local Marketing Solution, consumers will be able to easily discover and easily initiate services. A phone call to the nearest taxi stand, opening a WAP or HTTP connection to the local movie theatre portal can be made with just a few clicks. Rather than having to browse through multiple menus, the special application in the phone makes it possible for the consumer to discover locally relevant services from service advertisements collected in the background by the special phone application while the consumer moves around.

Nokia Local Marketing Solution

With the Nokia Local Marketing Solution mobile operators and service providers can promote their own or partnered SMS and data services. Even local businesses could easily advertise their own services in relevant places at relevant times. The solution creates demand for building new, really local services thus offering a new revenue opportunity area.

The solution consists of:

- an application in the phone – Local Info,
- a mountable, approx. A5 sized device called the Nokia Service Point LMP 10 used for sending over Bluetooth service advertisements to the consumers' phones and
- the Nokia Service Manager LMM 10, which is a back-end server for content and service point management.

Services are advertised via Bluetooth to consumers' phones when they pass a service point. These service advertisements are automatically saved to the Local Info phone application. Since the area where service is advertised is well defined, the solution enables the advertisement and provision of services to have a relation to



a certain place. Service advertisements can be time-specific and be valid for a limited period. When the validity of an advertisement expires, it disappears from the consumer's phone. The consumer can set preferences on several criteria, thus getting only those services, which he/she is most interested in.

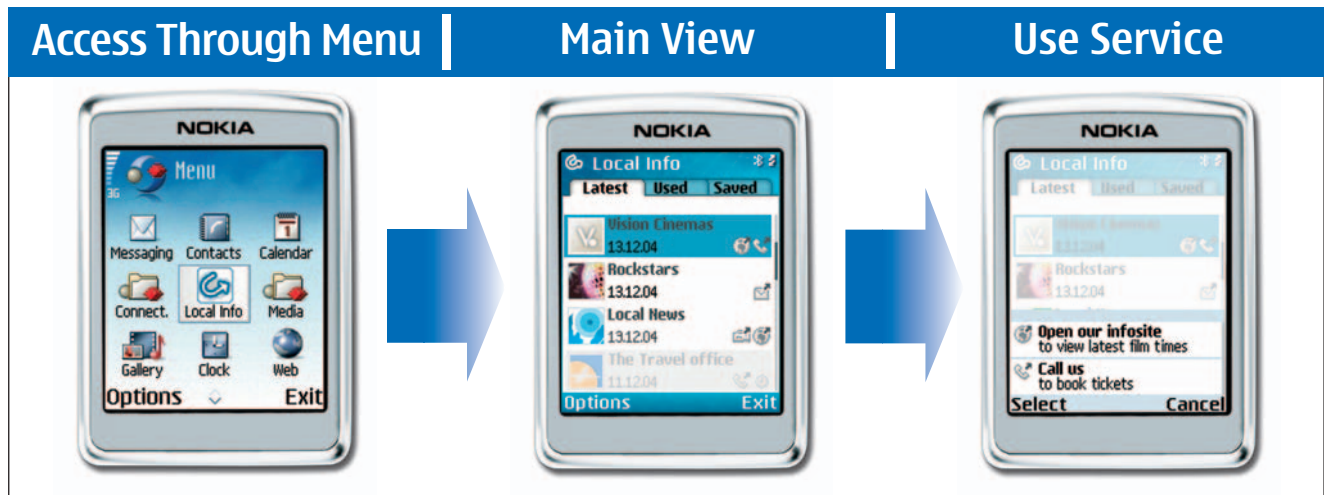
Existing phone applications are used for service access. Before the consumer activates the service, the UI informs the consumer the service type and price. From the user-interface, the consumer can set preferences, for example which category of service advertisements to receive and, most important, to select which service providers they wish to receive the adverts from.

The actual usage of cellular voice and data related services happens over cellular network by just clicking the service icon from the phone application. The solution supports the activation of voice, SMS, WAP/HTML browsing and streaming services. The solution also makes it possible to have embedded content behind the service icon, for example to show a coupon, an HTML/WAP file or play an audio/video clip. The service advertisement are created and managed with the Nokia Service Manager LMM 10, which uploads these to the local service points. The connection between the service points and the central, back-end service manager is over GPRS; hence there is no need for local LAN cabling.

Conclusion

The Nokia Local Marketing Solution is a unique solution providing significant benefits for the service operator. It offers an interesting and competitive alternative to marketing both owned and partnered cellular and non-cellular services. With the solution, the mobile operator can boost





usage of existing service and create new business by providing advertising space for local business owners.

The Nokia Local Marketing Solution allows the service operator to strongly differentiate marketing services for the consumers in the competitive market. With the solution, the service operator can provide:

- Local marketing in well-defined locations
- New and increased revenues from local mobile services and advertising fees
- Timed marketing to match users' situations

- Event services and better matching of the consumers' needs
- Services based on consumers preferences and permission
- Interesting and highly valid services from authorized service providers, no spamming.

The solution is easy to manage as no integration of existing infrastructure is needed, and it contains all the means for cost-effective management of the services and service points.

The solution is scalable as it is possible to start with a small installation. For example, tens of service points placed in

well-defined locations could be expanded to a large, densely populated coverage area.

The solution makes service discovery easy for the consumers. They get the service from a location immediately, based on personal preferences and by simply clicking on the service advertisement. Together, this makes consumers' acceptance of the solution easy.

Further information

Please contact your local Nokia representative or visit our website www.nokia.com/localmarketing

Significant increase of usage of mobile services and online time with just a few clicks!

	In the morning	On her way	At lunch	On her way	In the evening
Received links via Bluetooth	<ul style="list-style-type: none"> • Daily collection of personalized news links from operator 	<ul style="list-style-type: none"> • Lunch list of the favorite restaurant • Fashion sale booklet 	<ul style="list-style-type: none"> • Special offers & discount coupons from the music store • Daily movie ticket purchasing 	<ul style="list-style-type: none"> • Invitation to the members loyalty sale on department store 	<ul style="list-style-type: none"> • Mobile game offer in the music store
Consuming links via operator network or in shops	<ul style="list-style-type: none"> • Checking the weather • Ordering the subway ticket 	<ul style="list-style-type: none"> • Checking the newest entries in dating service • Checking the news • Checking the lunch list 	<ul style="list-style-type: none"> • Ordering a new ring tone • Ordering a taxi • Checking the pop news 	<ul style="list-style-type: none"> • Ordering the subway ticket • Checking the business news • Purchasing movie tickets 	<ul style="list-style-type: none"> • Watching the movie trailer in the restaurant • Downloading the mobile game
Average number of clicks with the solution	8	12	12	12	8
Average number of clicks without the solution	72	108	108	108	72
~ 90% less clicks -> better usability and increased traffic					



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