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Mobile America: creating carrier communities

Despite the rough economy, analysts still maintain bullish forecasts for the mobile industry. According to the wireless association, CTIA, there are over 270 million mobile phones active in the US, with around 15.8 per cent of households now wireless-only, and these numbers are set to grow, offering clear opportunities for carriers and brands looking to harness the dollar spend of these consumers. Industry analysts also forecast growth in mobile marketing spending in 2009, despite what's happening to more traditional channels. Surely the carriers are poised to be the prime beneficiaries of these market conditions? Not to mention the innovative brands that are embracing the mobile inventories being served to an increasingly interactive US populous.

However, the key to growth will be coupling this innovation and capitalising on the explosive rise of social networks and communities and tapping into a basic human need to communicate with peers. Programmes that utilise these aspects will reduce customer ambivalence – and ultimately churn – whilst increasing average revenue per user (ARPU) from relevant and timely interactions. Naturally, where audiences are receptive, advertising dollars soon follow.

“BE CLEAR ON YOUR OFFER, RESPECT THE DATA YOU’RE USING AND PROVIDE VALUE AND RELEVANCE TO THE AUDIENCE.”

In simple terms, a community is simply people sharing an environment, interest or experience, and interacting at different levels of engagement with their peers. Naturally, we see mobile as the perfect facilitator of communities, with no clearer evidence needed than the recent inauguration day of the 44th President, Barack Obama, with a Verizon spokesman stating: “It could be the busiest [mobile traffic] day that anyone has ever seen.”

This inauguration was the first to be captured, disseminated and then shared globally via social communities including services such as Facebook, Flickr, Twitter and YouTube with the major carriers all trucking in extra resource to handle increased traffic from Washington. So, the message is clear – despite Obama’s community having a slightly more profound event to chatter (or Twitter!) about – common themes and shared beliefs drive a human need to communicate that a mobile can satisfy. From the carrier perspective the need for revenues is the key driver; in Obama’s case he can boast about generating around US\$650 million for the campaign coffers from messaging related to his shortcode 62262, during his presidential run-in.

In terms of cultivating the idea of carrier communities, Virgin Mobile USA has been a leader in looking at applications expediting social

networking on mobile. Its ‘Connect’ application ensures Virgin customer can aggregate all of the updates from their existing social networking sites, whether that’s Facebook, Flickr, Bebo or MySpace, and see them through one view, without having to dip in and out of any single site. This is obviously useful for the mobile customer that belongs to more than one established social networking service. Virgin’s Mobile Lounge, on the other hand, will be an exclusive social network, available only to Virgin Mobile users, who in turn will be rewarded for using the service.

Mobile Lounge allows users to see which friends are online and features micro-blogging capabilities, discussion boards, chat rooms and profile creation and contests. However, as the service is only available to Virgin Mobile customers it will be interesting to see how useful they find it as a social network. After all the nature of this service restricts who can be communicated with, and barriers aren’t conducive to the growth of a community.

So, certain carriers are looking to create forums and foster environments where messages can be exchanged and data charges can be applied. Certainly T-Mobile’s ‘My Social Sites’ service in the UK is doing just that and charging for comments posted to blogs, as well as SMS and MMS sent to other community members. According to figures from Nielsen there were more than 300 million SMS messages sent from social network sites in Q3 2008, which is reported as a growing figure.

A nice example of a mobile community delivering benefits for users – as well as generating carrier traffic and product sales – is from Johnson & Johnson’s BabyCenter. Expectant U.S. mom’s formed a community by opting-in to a shortcode; found on-pack in-store, as well as TV, print and online advertising. After texting in their due-date BabyCenter could then provide that

member with relevant products, offers, information and links to like-minded individuals during each trimester of the pregnancy. Thousands of moms-to-be opted in to the community, and they did soon a monthly basis, sending many messages and repeatedly browsing the mobile web site. The initial campaign only had a six per cent drop-out rate after twelve months; which is a phenomenal testament to the power of the mobile community. Accessibility and immediacy are the key elements here. Information that’s important to you can be viewed on the mobile wherever you are, whatever you’re doing. In another example US sports news service ESPN reported that visitors to its mobile site in 2008 regularly outstripped that of its .com outlet as fans sought their team’s scores whilst on the move.

So, it’s clear that carriers can create ecosystems of mobile users, united by common interests and goals, to drive ARPU through increased messaging and browsing – as well as content, product and advertising inventory up-sell opportunities. The key is to approach the community building process in the right way and ensure the audience is offered an ‘equitable exchange of value’ or the right incentives to opt-in to the activity (and equally opt-out at any time) and remain engaged with the community. It’s critical that data is not misused in any way for carriers to derive loyalty from consumers and be viewed as a trusted provider of services; an especially important notion for today’s increasingly sceptical consumer.

Whether the community subject is fashion, sport, music or film the rules of engagement are the same: be clear on your offer, respect the data you’re using and provide value and relevance to the audience. The more you speak with your customers, whether they are pre-paid or contract users, the more you can engage with them for mutually beneficial results.