

The Monthly Resource Guide For Startup Businesses

# NEW BUSINESS

## MINNESOTA



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## Mobile Marketing Is Calling

Mobile Marketing is moving beyond being cool. It's going mainstream. We pulled together these national experts from six leading companies to share their ideas on this growing trend.

# Mobile Marketing Is Calling

Mobile Marketing is moving beyond being cool. It's going mainstream. Whatever size business you have, you need to be aware of what it can do, where it's going and how you can include it in your marketing mix.

*Publisher's Note: When you start to look at the exponential growth in SMS texting and communication in the last few years, you see the profile of a major league trend coming right at you. A few years ago no one knew what an App was. Now people eagerly discuss the wonders of their new favorite App. Mobile marketing is riding that wave and promises to change how we do business.*

*We put together this team of experts from across the United States to share their ideas on Mobile Marketing. We'll bring them all into town for a free Mobile Marketing Workshop on Nov. 16 at the Doubletree Hotel Minneapolis – Park Place in St. Louis Park.*

*New Business Minnesota will hold its monthly Startup Meetup networking event immediately following. Register and RSVP at [www.newstartupmeetup.com](http://www.newstartupmeetup.com).*



# Mobile Marketing Requires the Right Connection

Creative and Technology Specialists for the Team that Will Develop Your Mobile Plan.

By **Jim Robinson**

*Special to  
New Business Minnesota*

**I**n my business, I meet a lot of people who are avid smartphone users and are passionate about the technology. I often ask them two questions regarding their interaction with the device.

First I ask, "How do you think those messages get to your phone?" My second question is, "Who do you think built the application?"

Nine times out of 10 the response to the first question is "the messages are sent to my phone from companies I do business with." The answer to the second question is "the messages came from my wireless carrier" such as Verizon, AT&T or Sprint, etc.

The real answer is that there are many companies and marketing systems that need to work together to bring the message or the experience to life. It's a process involving a lot of team work.

That team includes a variety of disciplines and skill sets from advertising and marketing to aggregating. Within the landscape there are organizations that specialize in certain mobile features and functionality that we use or see on a daily basis.

Consider your favorite mobile app. The first step is for someone to think of it. The inspiration may be to help market an existing business or it could simply be because it's cool.

After the creative idea, the next step involves a creative agency or marketing firm that helps craft the right message for the medium and the audience. Keep in mind that you don't approach mobile marketing as just another form of direct mail. It has its own style, culture and process.

The next leg of the process is to work with a mobile Application Service Provider (ASP). The ASP will take the creative message and the list of people who will receive your message and push the message through the carriers to get it to the end consumer. Once the end user engages with the message, the information they provide is then sent back up the channel to the ASP. They can send the data back to you for analysis and additional campaigns can be created to engage your prospects and customers. This entire process is continually being worked to get the right message to the right people at the right time.

There is a good chance that your company will find a prac-

tical use for mobile marketing. But a word of caution: Before you rush into engaging with prospects and customers, there are rules that apply to protect an end user from receiving piles of messages on their mobile device.

Most companies know that barraging clients with spam will get their messages ignored in a hurry. In order to avoid this, you need to select providers that know the rules and how to apply them before conducting business in the mobile channel.

The final segment prior to launching your message to your target market is to make sure that the ASP is connected to an experienced aggregator. An aggregator has a contractual relationship with a variety of mobile carriers that allows them electronic access to the carriers' systems. The aggregators' data lines are connected from their back office to the carriers most of us are familiar with: Sprint, Verizon and T-Mobile.

This process and its many segments may appear simple, but it takes lots of planning and plenty of specialized knowledge. As they say, if it was that easy everyone would be doing it.

Mobile Marketing does allow you to reach your existing customers and prospects in this new digital age. Its power also allows you to reach out to prospective customers.

As you read the other Mobile Marketing columns in this issue, keep in mind that the vendors here are the best in the industry. They know how to cut through the digital clutter so that your message will resonate with your audience. And successfully be delivered.

As with any new technology, there will be a lot of unfamiliar terms and phrases being thrown around. Feel free to contact any of the column authors with your questions.

Or come and see them at a special Mobile Marketing Workshop on Nov. 16 at the Doubletree Hotel Minneapolis – Park Place in St. Louis Park. Details are available at [www.newstartupmeetup.com](http://www.newstartupmeetup.com).

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## Mobile Marketing's Oscar Debut

The Mobile Campaign that Used Texting,  
TV and Hollywood to Save Dolphins.

By Mathew Silk

*Special to New Business Minnesota*

Like all great digital technology, the successful outcome relies on the quality of the input. For mobile marketing to work best, you really have to play to its strengths and find creative ways to reach out to people.

The complete package came together on Oscar night 2009. Creativity met with mobile technology with amazing results.

The company I work for, Waterfall Mobile, which is a leader in digital messaging and CRM for enterprises was approached by filmmakers Participant Media and TakePart to power a mobile marketing campaign for their Oscar-nominated documentary "The Cove." The film exposed an ecological disaster in a small cove in Japan. We used our Msgme platform to engage the audience in the theater and connect with the audience just moments after watching the film.

Somehow we took it a step further to engage the audience. When the movie was announced as the winner that night the impromptu plan was to have the filmmaker hold up a sign during the acceptance speech and flash a message to the viewing audience.

At the right moment, with millions watching, filmmaker Ric O'Barry held up a sign encouraging viewers across all marketing mediums to text "DOLPHIN" to "44144." The response was phenomenal. After joining the list, activists were encouraged to sign a petition over the phone to help stop the slaughter of the dolphins.

The call-to-action campaign gained national notoriety and also won an Adweek Buzz Award. It's been widely presented at multiple conferences.

For Oscar night, we used our platform because it empowers carriers, brands, agencies and technology companies to manage digital messaging and subscribers across mobile and social channels, including SMS, MMS, mobile apps, voice, Facebook and Twitter. Msgme enhances these channels by coupling seamless integration of mobile web, video, coupons and QR codes, with direct targeting tools such as location, demographic and user preferences.

Waterfall's emergency alert notification platform, AlertU, is the industry's first two-way, multichannel notification system serving as a critical component of the emergency communica-

tions infrastructure for over two million individuals.

Waterfall has been behind a number of extremely successful campaigns, including Participant Media and TakePart's Oscar winning documentary, "The Cove."

Chegg, the textbook rental company who is quickly emerging as the leader in their space is another notable client. Chegg selected Waterfall's Msgme platform to power their SMS-enabled ISBN and title lookup for on-the-go students. Since launching the campaign in late 2009, the service went from 269 users, to more than

20,000 within a couple of months.

Waterfall has also teamed up with computer and video game publisher, Ubisoft, for innovative digital campaigns surrounding their popular games such as Tom Clancy's Splinter Cell Conviction and Prince of Persia. Together, they implemented one of the first interactive campaigns to use mobile to give away exclusive free in-game content to players, resulting in 400 percent subscriber growth within two weeks of launch.

*Mathew Silk is Senior Vice President of Partnerships for San Francisco-based Waterfall Mobile, which also has offices in New York and Austin, Texas. Waterfall's customers also include Anheuser-Busch, Guthy-Renker, NASA, Nokia, PETA, Roc Nation, WPP, Publicis, TBWA / CHIAT / DAY and the California Community College system, among others. He can be reached at: [msilk@waterfallmobile.com](mailto:msilk@waterfallmobile.com).*

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This special Report is Also Available Online at

[www.newbizminn.com](http://www.newbizminn.com)

# SMS Texting Has Marketing Power

As Opt-In Marketing, SMS Click-Throughs  
Beat Email and Web.

By Brian Famigletti

*Special to New Business Minnesota*

According to the CTIA's 2010 *Annual Wireless Industry Survey*, 88 percent of the U.S. population owns SMS-enabled cell phones, solidifying text messaging as one of the most popular communication tools in use today.

Text messaging is relatively low cost and easy to use – no downloads or installations needed – and with the advent of unlimited messaging plans, texting has become the mobile communication option of choice for teens, beating out phone and e-mail.

Though SMS does not get a lot of hype that the flashy apps do, it is a highly effective and potent channel for marketers that execute campaigns properly. The click-through rates (CTRs) and conversion rates for text messaging are much higher than rates for e-mail and Internet display, two channels that win larger percentages of marketing budgets than mobile.

The average CTR for text messaging is 14.06 percent, while the average conversion rate is 8.22 percent.

E-mail brings in an average CTR of 6.64 percent and an average conversion rate of about 1.73 percent, and Internet display doesn't even hit the radar with an average CTR of 0.76 percent and average conversion rate of 4.43 percent, according to the Direct Marketing Association's *2010 Response Rate Trend Report*.

One likely explanation for such high response rates is the fact that texting is an opt-in marketing channel, there is no spam.

This means that consumers are actively seeking out information with which to interact and engage. Once engaged, marketers have the opportunity to drive consumers towards other types of mobile consumption – such as rich media, video, or other content where users then take the desired action.

One specific area where our company, Vibes, has seen success is in using SMS as a mobile surveying vehicle.

For wireless carriers, such as T-Mobile, Vibes has taken the concept of Fred Reichheld's *Net Promoter Score* (NPS) and leveraged mobile to benchmark how happy or unhappy their customer base is with their product or service.

The NPS program is simple and relatively easy to execute. Vibes sends out a one-question survey to a seg-

mented customer database via SMS that asks "how likely would you be to recommend (service or product) to a friend?"

The targeted customer is given the option to choose from 0 – 10, 10 being extremely likely.

If the customer chooses 9 or 10, we thank them and provide some sort of incentive or coupon for their participation.

If the customer responds between 0-8, we use the opportunity to solicit feedback with regard to what we could be doing in order to service them better. Upon receipt of their feedback, we thank them for their participation and provide them with an incentive or coupon for their participation.

Clients who use Vibes' Net Promoter Score mobile survey have reported a number of benefits since the onset of implementation. These benefits include a greater ability to identify how likely target segments are to churn, reasons for and intensity of dissatisfaction, provide targeted offers to customers that address their specific problems and extend the total lifetime value of any particular customer.

These types of benefits provide all the more reason for marketers to consider SMS as a viable tool for conducting quick and easy survey and research initiatives.

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# Mobile Couponing is Coming. Say "Hello" to the "Clickers."

Instant Coupons Delivered to the Smart Phones of Loyal Customers Will Change Your Marketing Strategy.

By Dan Slavin

*Special to New Business Minnesota*

**M**obile Loyalty Solutions are coming and they're going to threaten the fine art of Sunday morning coupon clipping. "Clickers" will replace "clippers," reaching for their cell phones instead of a pair of scissors to discover what their favorite retailers have in store for them.

While mobile coupons are not entirely a new concept, research suggests mobile coupons will triple by 2014 with deliveries expected to reach the 300 billion mark. Many, including me, believe that paper coupons will soon be a thing of the past. Here are five reasons you should consider mobilizing your loyalty program.

- 1. Demographics.** Mobile coupons target specific demographic markets specifically aimed at early adopters; the young, the wealthy and the college educated. According to research, enlightened consumers are 51 percent more likely to request a mobile coupon on their mobile phone. Early studies point to the 18- to 35-year-old market as the leading segment for redemption.
- 2. Go Green.** With the explosion of smart phones, mobile is rapidly becoming the prime delivery mechanism for couponing. Digital coupons help shoppers save time, money, and aggravation. While they may leave a on the kitchen table, they always have their phones with them. Most important, companies are making a conscious effort to "Go Green" and the mobile flavor requires no paper or ink, making them an innovative and eco friendly "Green Technology."
- 3. Mobile Couponing.** If 80 percent of your revenue comes from 20 percent of your customers, then *reward* that loyalty. Mobile Couponing is a direct connection to the consumers who *want* your best prices and they willingly subscribe to your incentives. Mobile coupons are increasing foot traffic, loyalty, and top-line revenues at a fraction of the cost when compared to traditional methods. Not everyone owns a smart phone, but the company I work for, CodeBroker, has unique patent-pending technology that can deliver the same intelligent mobile coupon with barcodes to feature phones like the Motorola Razr. In fact, their barcode coupon technology has been certified to work on over 500 mobile phones.

- 4. Measuring Results.** How fast can you deliver an offer directly to your loyalty base today? Imagine if you could conceive, create, and deliver a last-minute promotion campaign in just a few minutes and have it delivered to the mobile device of your loyalty members in seconds. According to industry analysts, 97 percent of mobile messages received by the consumer are read – percent within hour. You can enhance your Mobile CRM data with purchase and redemption data that uncover opportunities for precision targeted offers, promotions, and campaigns.

- 5. Beyond the Coupon.** What comes next? Retailers are moving beyond the coupon by providing location-based services, in-aisle promotions, and mobilizing loyalty programs. You know what is most important to CodeBroker clients? They are investing in a solution that increases their own brand and not CodeBroker's.

Should you budget marketing dollars for mobile couponing? Unequivocally, yes. Mobile Couponing can instantly improve your mobile loyalty program – that is, if your company is ready to deal with the revenue growth that it yields.

*Dan Slavin is President of Massachusetts-based Code Broker, which provides a user-friendly, cost-effective platform that enables consumer-focused businesses to leverage the mobile channel to increase revenues and basket size, reduce the costs of existing loyalty programs, execute effective promotional and coupon campaigns, and more. He can be reached at :*

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# After Your App Idea, You Need to Plan the Development and Deployment

Work with a Strong Mobile Application Company to Ensure Reliable User Experience.

By Nathan Clevenger

*Special to New Business Minnesota*

The mobile application market has quickly moved out of its infancy and has itself become a major industry. It came of age with the launch of the iPhone – a true application platform. That changed how consumers and business look at mobile devices.

From the iPhone, the mobile market quickly expanded. Expectations have shifted, and now companies are coming to understand that supporting a single mobile platform isn't a real option.

ITR Mobility has been working on mobile solutions since the beginning. We realized early on that you have to meet your customers where they are. You have to use the technology they are using.

We developed a method to create mobile applications that can be deployed on mobile devices regardless of their operating system – all from a single source code. ITR clients have the ability to develop their applications once, and deploy them to Android, Blackberry, Windows Mobile, Palm, and iOS devices.

If you are seriously considering creating a mobile application for your company, you need to be very aware of “deployment” issues. There is no shortcut.

Like any marketing campaign, you have to envision the whole package. Set your goal, develop an application that engages your intended audience, and deploy. Sounds simple, but the steps can be intricate.

As a business, you should be thinking about how to leverage the mobile channel and how it will benefit your company. How do you want your customers to engage you? Will your application drive traffic towards you? Will it allow your customers to consume the product, or be a value added so when they need to buy from you, your company is on the top of their mind? That's where it begins.

Many companies have realized that when they design, develop and deploy a mobile application, that they have created a whole new sales funnel and are now reaching out to a whole new audience. And not only are you reaching your customers on their terms, you have a

mobile app across multiple platforms that adds to your credibility as well.

Some of the business issues and applications ITR Mobility has developed include a mobile app solution for managed care provider Medica. It was imperative for Medica to help their clients be more involved in their care and cost controls. ITR developed the Mainstreet Medica App that details the services provided, and also



compares area clinics and hospitals while providing a price comparison. That makes it a pretty handy application when a client is managing a deductible or a Health Savings Account.

ITR Mobility can also develop mobile applications that can help with business intelligence, communications, CRM (Customer Relations Management), field service automation, inventory control, mobile data access, mobile data analytics, mobile data collection, supply chain management and workflow automation.

Every business can leverage mobile in a relevant way. As the commercial says, “there is an App for that.” ITR can make it a reality.

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# Switchblade Technology Helps Open the Door for Mobile Mania

You Don't See It, But the Backend Platforms Make Mobile Marketing Possible.

By Randy Marcus

*Special to New Business Minnesota*

**W**hy is Mobile Marketing suddenly such a hot topic? Like other "overnight successes" it's been a long time coming. The big difference is that all the pieces are coming together.

Our company, 3Cinteractive, has been on the mobile trail for a long time. For us, the challenge was to somehow coordinate all the pieces, from data collection, technical interfaces and integration so what used to be nearly impossible could be done by any company of any size from anywhere at any time.

The technology we developed, Switchblade, enables clients around the world to launch and manage successful mobile programs. It standardizes individual carrier requirements and disparate handset technology so mobile initiatives can be deployed on any continent, in virtually any language and in any industry.

A suite of Application Programming Interfaces (APIs) allows it to be seamlessly integrated into third-party systems and databases to make current business processes faster and more efficient with mobile technology.

What all that means is that you don't have to worry about those hurdles are gone. The age of the *Digital Lifestyle* is upon us, and next generation platforms in social networking and mobile are driving unprecedented changes in communication and commerce.

Here are some examples of the power of mobile marketing.

## Reduce Wait Times

**Wait times at Disney theme parks can run from 60 to 90 minutes at peak times.** Combine this with the sheer size of this park (and a screaming 4 year old) and guests can quickly become overwhelmed and frustrated.

We developed an in-park SMS (text message) application that provides visitors with near real-time information on wait times for attractions, the location of character meet-and-greets, park hours and more. Our platform integrated seamlessly with the park's multiple internal systems including its CRM partner, which enabled consumer interaction with the application. In



addition, we manage the opt-in status of each guest and notify the park's systems and CRM vendor of any opt-out status changes.

## Pharmacy Orders

**A pharmacy chain that fills 10 million prescriptions a day, and processes hundreds of thousands of photography orders** wanted an automated way to notify customers when their purchases were ready for pick-up.

**We set up our platform to link seamlessly with the chain's backend systems.** This machine-to-machine solution instantly notifies customers via text message when their prescriptions or photos are ready to be picked up. **Three million SMS messages are now sent daily.**

## Auto Dealer Links to Customers

We've also used the technology to help an automotive dealer group to launch a mobile marketing campaign to former customers. By leveraging that database, we identified "active customers" with vehicles serviced in the last 12 months, and "inactive customers" with vehicles serviced in the previous 12 to 24 months. The dealers were able to manage distinct mobile messaging campaigns to both active and inactive service groups to achieve a 3.4 percent response rate.

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# Thinking About Mobile Marketing?



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