

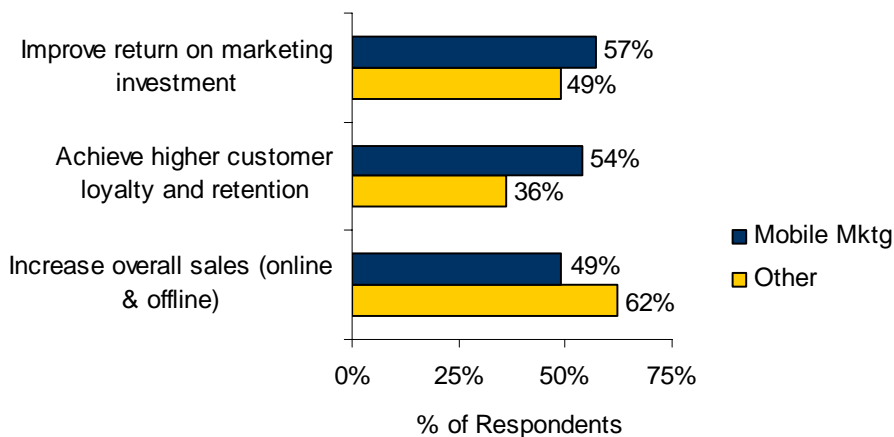
## A Mobile Marketing Approach to Closed-Loop Marketing

In March 2008 Aberdeen Group surveyed 315 organizations to identify current closed-loop marketing challenges, tactics, and strategies. The survey revealed that top performing companies are improving message relevancy, conversion and return on marketing investments with closed-loop marketing practices and processes. The research also revealed organizations that are currently using mobile marketing (14%) as well as adoption trends in mobile marketing; 44% plan to adopt mobile marketing to improve closed-loop marketing performance. This Research Brief will examine how companies that use mobile marketing approach closed-loop marketing.

### Overview

As Figure 1 indicates, companies that utilize mobile marketing to improve closed-loop marketing performance feel many of the same pressures as companies not using mobile marketing i.e. Other. However, companies currently utilizing mobile marketing are more focused on improving their return on marketing investment and achieving higher customer loyalty and retention than increasing overall sales.

**Figure 1: Top Pressures: Companies Using Mobile Marketing vs. Companies Not Using Mobile Marketing**



Source: Aberdeen Group, March 2008

Sixty percent (60%) of respondents that utilize mobile marketing indicate that data consolidation is a top challenge when implementing closed-loop marketing. Mobile marketing is a relatively new channel and, as a result, integrating it with legacy systems can be challenging.

### Research Brief

Aberdeen's Research Briefs provide a detailed exploration of a key finding from a primary research study, including key performance indicators, Best-in-Class insight, and vendor insight.

### Definitions

**Mobile Marketing:** the delivery of marketing messaging via mobile phones

**Closed Loop Marketing:** the feedback loop between customer behavior and the marketing message

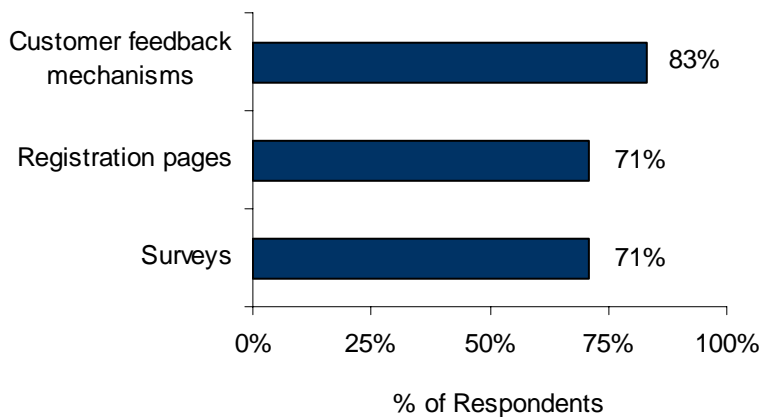
"Through the use of the mobile Internet and a smartphone we are able to merge in real-time the leads that we get into our CRM system. This leads to higher close rates and higher average sales price for us."

~ Exotic Car Maker

To mitigate these pressures and challenges, 46% of companies that currently utilize mobile marketing develop a central repository / database for collecting sales and marketing activity, and customer behavior. Forty percent (40%) develop business processes for segmenting and targeting customers. Furthermore, to support these strategies, companies that utilize mobile marketing (64%) have a single customer database containing profile, marketing activity, and purchase behavior information. This compares to 61% of Best-in-Class organizations and only 51% of companies that don't utilize mobile marketing to support closed-loop marketing activities. A single database is important because it provides standardization of customer and prospect profiles and a holistic view of customer behavior across channels (allowing organizations to deliver more persuasive marketing messages).

To gather explicit customer provided profile information for the repository, companies that utilize mobile marketing utilize the sources shown in Figure 2.

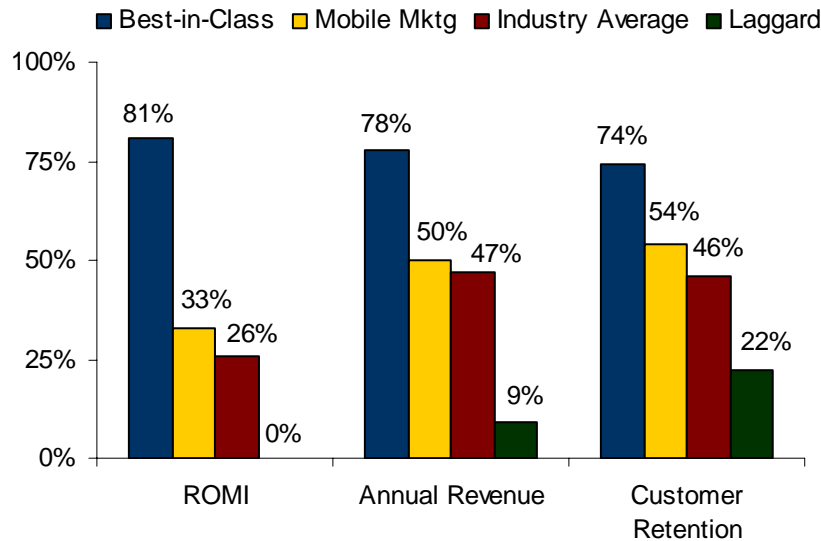
**Figure 2: Sources of Customer Provided Profile Information**



Source: Aberdeen Group, March 2008

These same companies use this information to analyze customer reactions after each campaign (24%) or analyze customer reactions during campaigns to adjust campaigns in real-time (36%). Companies using mobile marketing also look for the successes or failures of campaigns by looking at whether they reach objectives; this should include looking at key performance indicators (KPIs). In the context of this research, mobile marketing use did not define Best-in-Class organizations; however, deeper analysis reveals companies that employ mobile marketing have in fact improved more in some KPIs than Industry Average and Laggard firms (Figure 3).

**Figure 3: Performance Improvement of Companies Utilizing Mobile Marketing**



Source: Aberdeen Group, March 2008

## Capabilities

Aberdeen research indicates that 51% of companies utilizing mobile marketing to improve closed-loop marketing capabilities have documented processes to collect and manage customer response from customer-facing functions within the organization. This compares to only 44% of Best-in-Class organizations and 27% of all other companies.

Forty-nine percent (49%) of the Best-in-Class plan to document processes to collect and manage customer responses. It is these documented processes that improve the efficient and effective usage of robust data within Best-in-Class organizations.

Respondent data shows that companies using mobile marketing to improve their closed-loop marketing (60%) analyze customer behavior to segment and target markets with future marketing efforts. As a result, these companies are well-positioned to build more robust and accurate customer and prospect profiles to create more accurate marketing and sales campaigns.

Furthermore, 59% of companies using mobile marketing have dedicated resources responsible for analyzing customer behavior to test marketing effectiveness. And 56% indicate that these resources come from a centralized database containing prospect marketing activity, sales activity, and customer behavior. This centralized database provides a company with the ability to analyze historical trends as well as forecast future trends in consumer behavior. Aberdeen data shows that 54% of companies currently utilizing mobile marketing having seen improvements in customer retention rates, compared to 17% of all other companies.

## Technologies

Aberdeen data indicates that the following technologies rank the highest in terms of adoption by companies implementing mobile marketing. These technologies directly enable the aforementioned capabilities by continuing to focus on customer behavior:

- Marketing database / datamart (79%) gives companies the ability to collect data and analyze data not only from mobile devices, but also from other channels
- Customer analytics (71%) is a key enabling technology because it can draw information from the databases/datamart to help companies understand customers and prospects enabling more impactful sales and marketing campaigns
- Segmentation rules 64%
- Customer profiling tools 55%

Segmentation rules and customer profiling tools supplement the data analysis by maximizing sales and marketing campaign efficiencies through better targeted information.

## Solution Snapshot

Solution providers are companies that enable mobile marketing solutions for publishers / aggregators, mobile carriers, and / or brands / agencies.

**Table I: Solution Provider Landscape**

Company	Industry Focus	Sample Customers
<b>Admob</b> <a href="http://www.admob.com/s/home/">http://www.admob.com/s/home/</a>	Advertisers/Agencies, Publishers	Coca Cola, eBay, eFax, MTV, Paramount, Reuters
<b>Air2Web</b> <a href="http://www.air2web.com/index.html">http://www.air2web.com/index.html</a>	Agencies, Carriers, Content Providers	AT&T, Starbucks, cnet, UPS, P&G
<b>Amdocs</b> <a href="http://www.amdocs.com/Site/AmdocsCom.htm">http://www.amdocs.com/Site/AmdocsCom.htm</a>	Publishers and Content Providers	Anuncios en Directorios, Cosmote, Suncom
<b>Amobee</b> <a href="http://www.amobee.com/main/hp.htm">http://www.amobee.com/main/hp.htm</a>	Mobile Operators, Publishers/Developers, Agencies/Advertisers	Boost Mobile, Pelephone
<b>DoubleClick (Google)</b> <a href="http://www.doubleclick.com/">http://www.doubleclick.com/</a>	Agencies, Marketers, Publishers	About.com, Arnold Worldwide, Digitas, Ford, MTV, Target, Thestreet.com
<b>Enpocket (Nokia)</b> <a href="http://www.enpocket.com/">http://www.enpocket.com/</a>	Mobile Carrier, Publisher, Brand/Agency	Sprint, Telefonica, Vodafone, Pepsi, Ford, P&G, McDonalds, Match.com
<b>Flytext</b> <a href="http://www.flytext.com/">http://www.flytext.com/</a>	Brands	Virgin Mobile, BBC, Cingular, Time Inc., Unilever
<b>Jumptap</b> <a href="http://www.jumptap.com/">http://www.jumptap.com/</a>	Advertisers, Wireless Operators, Content Publishers	U.S. Cellular, NBC Entertainment, NBC Sports, Universal Pictures, USA Network, SCI FI Channel, Bravo, Fox Mobile Entertainment

Company	Industry Focus	Sample Customers
<b>Quattro Wireless</b> <a href="http://www.quattrowireless.com/index.html">http://www.quattrowireless.com/index.html</a>	Advertisers and Publishers	Sony Pictures Home Entertainment
<b>Screentonic (Microsoft)</b> <a href="http://www.screentonic.com/">http://www.screentonic.com/</a>	Advertisers, Carriers, Portals	Coca-Cola, Orange, Paramount Pictures, Renault
<b>Third Screen Media (AOL)</b> <a href="http://www.thirdscreenmedia.com/">http://www.thirdscreenmedia.com/</a>	Advertisers, Publishers, Carriers	N/A
<b>Yahoo! Mobile</b> <a href="http://mobile.yahoo.com/;_ylt=AiMiKZN.FgiMcA8tBJzO9GkrtQcJ;_ylv=3">http://mobile.yahoo.com/;_ylt=AiMiKZN.FgiMcA8tBJzO9GkrtQcJ;_ylv=3</a>	Brands/Agencies, Publishers, Operators	Rogers Communications, Inc., T-Mobile, Samsung

Source: Aberdeen Group, June 2008

## Key Insights

Mobile marketing is still in the nascent stages of adoption; however Aberdeen data indicates rapid adoption of this new marketing channel. As evidenced, companies that implement mobile marketing out perform Industry Average and Laggard firms in some key performance indicators, namely ROMI, Annual Revenue and Customer Retention. This performance can be tied to the adoption of key technologies such as a marketing database/datamart, customer analytics, segmentation rules and customer profiles tools, which better position companies with mobile marketing to target their customers. It is also important to realize that companies implementing mobile marketing still lag Best-in-Class organizations. As a result, mobile marketing does not yet guarantee Best-in-Class status.

For more information on this or other research topics, please visit [www.aberdeen.com](http://www.aberdeen.com).

Related Research	
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