

The Growth of Location-Based Services and The Power of Proximity Marketing

White Paper



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The Marketing Landscape

Some of the continuous challenges marketers face are identifying appropriate audiences and effectively reaching out to them in both relevant and influential contexts. Success is often a direct result of the right messaging delivered in an ideal and timely manner.

Market saturation, ever-changing consumer behavior and an evolving media landscape require marketers to repeatedly evaluate their outreach efforts to ensure effectiveness. Historically, as consumers altered their media consumption and buying behavior, marketers followed suit in order to remain relevant.

The biggest transformation in consumer behavior has been the increasing adoption of mobile technology. Experts predict that by 2013 mobile Internet usage will surpass desktop Internet usage, an upsurge that is not expected to cease [1].

In today's fragmented media landscape, the average consumer sees over 5,000 marketing messages in a day [2]. That's one ad message every 12 seconds. As consumers are constantly barraged with promotional messages, it is critical for marketers to break through the clutter to effectively reach their target demographic. With the recent volatile economic climate, now more than ever, executives are challenged with maximizing their marketing dollars and quantifying a return on their marketing spend.

Although consumers spend more time on mobile devices than other media platforms ad dollars have not caught up with demand [3]. Whether it is due to lack of knowledge of the platform or because of marketers fear this relatively unknown platform, one thing is for certain, mobile marketing can no longer be ignored by brands.

Evolution of Consumer Engagement



The evolution of marketing demonstrates consumers' growing need for more targeted and personal outreach, valuing the ability to define the relationships they have with brands. This freedom of choice along with the growing reliance on mobile devices indicates that the mobile medium presents a significant opportunity to derive business value.

Evolution of Consumer Engagement



Traditional

Broadcast Advertising
 Print Advertising
 Direct Mail Advertising
 Out-of-Home Advertising



Internet

Websites
 Interactive Advertising
 Search
 Social Media



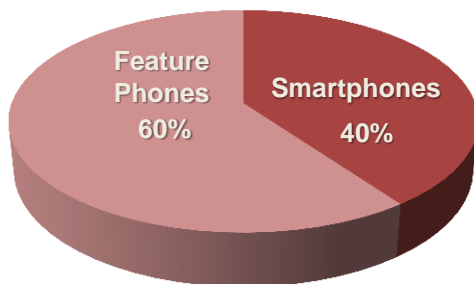
Mobile

SMS Marketing
 Mobile Advertising
 Mobile Applications
 Location-Based Services
 Proximity Marketing

Today's consumers create their own media landscape. In fact, consumers are gravitating towards mobile devices that compliment their "on the go" lifestyles. Of the US adult population, 85% own a mobile phone, compared to 70% who own a laptop and only 57% who own a desktop computer [4]. Today's consumers want information and connectivity. And they want it all the time. Smartphones have grown to account for 40% of all mobile phones with Android and iOS leading the operating system market with 40% and 28% penetration respectively [5].

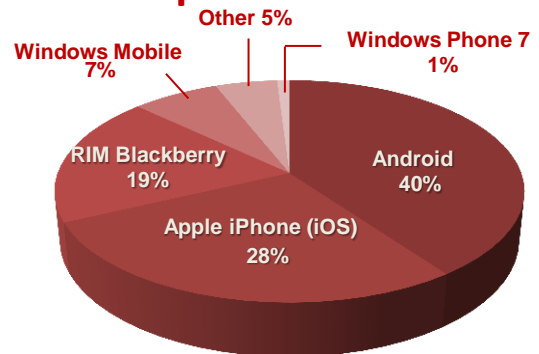
The Mobile Universe

US Mobile Penetration



May 2011 – July 2011, Mobile Insights, US

Smartphone OS Share



May 2011 – July 2011, Mobile Insights, US

Source: Nielsen, 2011

Reaching Customers



Connected Consumers

Today's consumers demand constant connectivity and rely on mobile devices to deliver that access.

- As of June 2011, wireless subscriber connections (322.9 million) have surpassed the population (315.5 million) in the United States and its territories [6]
- Wireless network data traffic increased 111% percent [6]
- By 2013, mobile devices will be the primary connection tool to the Internet [7]

Mobile Marketers

Recognizing the importance of mobile communications in consumers' lives, marketers are employing mobile initiatives to drive outreach.

- US mobile ad spending is predicted to grow at a 43% CAGR reaching \$4.4 billion by 2015 [8]
- Global mobile ad spending is predicted to reach \$3.3 billion in 2011 and expected to surpass \$20 billion by 2015 [9]



Effective Engagement

Mobile efforts are proving to be successful in fueling business growth, representing a wise investment for marketers.



- 70 million mobile coupons worth \$2.4 billion are expected to be redeemed in 2013 [10]
- 95% of smartphone users have looked for local information [11]
- 80% use phones for shopping and shopping-related activities [11]
- 67% use Smartphone for product research and then purchase an item in store [11]

A Prime Time for Proximity Marketing

The value of mobile usage for both consumers and brands has been proven and is expected to remain as mobile penetration reaches maturity and saturation. However, the value can continue to evolve by strengthening mobile channels and making them more effective and beneficial.

Mobile location-based proximity marketing services are becoming a growing means of extracting more value from mobile for both consumers and brands. Location-based proximity marketing provides an added layer of personalization, customization and relevance that is crucial for marketing effectiveness.

- Experts predict that location-based services users worldwide will grow to 1.24 billion by 2015 [12]
 - Global market revenues for mobile location-based services and location-enabled mobile apps should reach more than \$12.7 billion by 2014 [13]
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“The time is now to move on mobile opportunities like addressable ads and place based contact, and these insights will move us in the right direction – giving consumers control over their brand interactions on these very personal devices.”

Brandon Starkoff, Vice President/Mobile Activation Director, Starcom USA

As mobile location-based proximity marketing services take stronger hold among mobile users, location-based targeting and advertising will become core practices for marketers. Specifically, proximity marketing will enable brands to powerfully connect with consumers at the right time, at the right place and with the right messaging.

Over the last few years, proximity marketing has gained in popularity among marketers and is expected to grow to \$6B by 2015 [14]. Proximity marketing effectively places brands in relevant environments, at the point of purchase, and equips executives with analytics needed to increase sales.



An Ideal Form of Engagement

Proximity marketing is the localized wireless distribution of marketing content associated with a particular location. Transmissions can be received by individuals in that location who wish to receive them, regardless of mobile device type. It allows brands to effectively reach and track their customers in the out-of-home environment facilitating the ability to make cost-effective and educated purchase decisions and to receive helpful and valuable location-based information.

Proximity marketing allows brands to connect with consumers at the most granular levels. It is because of this hyper local connection that marketers are able to extract valuable data on customer shopping behavior and traffic patterns that other marketing mediums do not provide. Leveraging this rich data will arm executives with the tools necessary to refine their marketing approach and adapt their brick and mortar footprint to maximize customer exposure and ultimately drive sales.

The 9 Advantages of Proximity Marketing:

1. Ubiquitous
2. Interactive
3. Immediate
4. Personal
5. Relevant
6. Structured
7. Effective
8. Cost Efficient
9. Measurable



Engagement via proximity marketing empowers brands to:

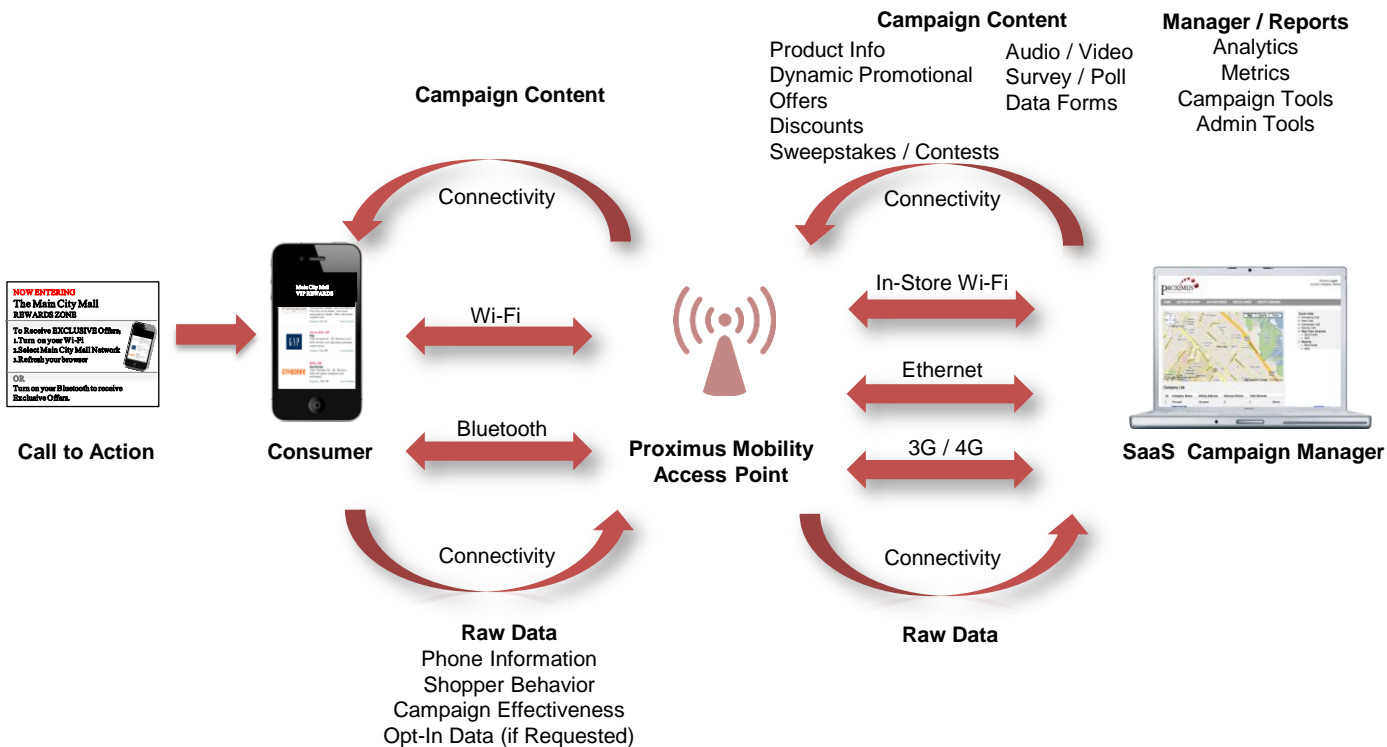
- Grow customer awareness
- Immediately increase sales of higher margin items and total revenues
- Build a database of interested customers
- Strengthen loyalty through continued engagement
- Make informed marketing decisions based on real-time data such as customer dwell times, foot traffic patterns and consumer behavior profiles.
- Encourage customer word-of-mouth marketing via social media
- Identify overall business strengths, weaknesses and opportunities

About Proximus Mobility

Based in Atlanta, Proximus Mobility is location based proximity marketing software company that provides a turnkey, end-to-end solution to retailers, hotels and casinos, venues, advertising agencies and small to medium sized businesses. This solution offers relevant, high value digital content to consumers' mobile phones near the point of influence or point of sale regardless of the phone type or carrier, with no app needed on the phone. Proximus enables brands to effectively reach and capture consumer data and track their customers in the out-of-home environment, providing executive level reports and in-depth analytics on dwell times, traffic patterns and behavior profiles. These insights facilitate the ability to make cost-effective and educated purchase decisions and to receive helpful and valuable location-based information and offers completing the value chain for advertiser and consumer.

How it Works:

The Proximus Mobility solution provides executive level reports and in-depth analytics. Collect valuable insights that will help increase your marketing ROI while concurrently engaging and building customer loyalty. Here's how it works:



Actionable Data and Insights

The Proximus Mobility solution provides its customers with real-time measurable data and valuable customer insights. These robust analytics enable you to make more effective marketing decisions and allow you to refine your approach as needed. Below is a brief sampling of analytics captured by Proximus Mobility:

Shopper Behavior

- Anonymous Traffic Counts
- Anonymous Dwell Times
- Anonymous Traffic Patterns
- Activity by Daypart
- Recognition of “Returning” Customers

Phone Information

- Type of Phone
- Manufacturer
- Operating System

Campaign Effectiveness

- Download Reports
- Click-Through Rates
- Time Spent Viewing
- Uniques
- Page Views
- Opt-In Data
- Redemption Rates

Learn More

To learn more about Proximus Mobility and how to better reach your customers, please contact us at:

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