

## Sales RUSH – Customer Connected Adrenaline

### THE PROBLEM WITH ADVERTISING

Every advertiser wants to place its advertising on special terms in order to stand out against competitors and ensure the maximum coverage of its target audience (meaning the maximum number of advertising contacts). Additionally, every advertiser wants its information to be of value to the consumer instead of being one of the many irritants in today's cluttered media. The value of an advertising contact is determined by such criteria as the minimum price of a contact, the maximum comprehensiveness of coverage and the optimal depth of a contact. The primary influence is exerted on the criteria, which determine the contact value, by the accuracy of targeted audience. Further influence is exerted by the message, the volume of consistent information, advertising noise, the level of emotional impact and, of course, the level of confidence in a channel of information.

Whenever an advertisement is placed in the traditional mass media, the accuracy figure is subjected to a considerable degree of inaccuracy. Moreover, *it concerns both the accuracy of target audience estimation and the accuracy with which the efficiency of the advertising campaign is measured*. For example, when a commercial is being shown during a football game (the target audience is males ranging from 18 to 54) that is presumably being watched by 12 million people, it is hard to accurately state what percentage of the audience is represented by women, how many spectators prefer to watch a satellite channel, how many spectators don't switch channels during the commercial and how many of them keep the volume up during the commercial. ?



*"Nobody counts the number of ads you run; they just remember the impression you make."*

**William Bernbach**

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Another example consists of the placement of advertising in print. The visibility of the target audience is determined by its size and position, as well as the presence of other advertisements (which can be located near it), among which the ad can be lost due to the abundance of information or the general level of promiscuity represented by the ads.

**Let's examine the first example in mathematical terms:** Actual target audience = Assumed target audience – Predicted error.

Actual target audience = (12,000,000 (assumed target audience) – 3% (viewers who chose the satellite channel for watching the game – 15% (women)) – 5% (the viewers who always switch to another channel during the commercial) – 10% (the viewers who turn off/mute the sound during the commercial)) = 8,400,000 (or 70% of the initial value). It's obvious that even when the most evident factors are taken into consideration, the error will be 30%! The same value is extrapolated to the advertising contact cost, and as a result the cost is increased by a calculable value.

### The Solution

The use of mobile advertising ensures more precise results in terms of the selection of respondents and the estimated efficiency of the advertising campaign. Advertisers should remember that mobile advertising is more than simply a mechanism that enables information to be delivered through different means. First of all, mobile advertising is a component of a complex that features a huge database, which in turn allows the forecasting, planning and conduct of an advertising campaign as well as the review of its results. All the implemented processes are interrelated, whereby the system records the results and deviations from the predicted values, thus allowing one to draw conclusions about the reasons for any deviations.

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When an advertising campaign is conducted, the accuracy of respondent selection is first ensured by the data, which is obtained from a data capture campaign.

However, you shouldn't disregard the difficulties that challenge mobile campaigns regarding the segmentation of mobile network subscribers according to their age and gender. This occurs because the most operators don't request the data when subscribers purchase SIMs. Moreover, even if the data is entered in the system a SIM can be used by a person other than the one who has been registered. This problem is resolvable of course.

The mobile operator, more than any other entity, is interested in obtaining the most detailed portrait of its subscriber base. Consequently, it adds and updates the detailed information on a constant basis. There are many ways to obtain this information: surveys (SMS polls), questionnaires (requesting data during subscriber satisfaction evaluations, filling in questionnaires when selling SIMs, etc.). Very often subscribers leave information about themselves in an advertiser's Internet self-care services or when they register in the bonus program on the advertiser's official website. It should be noted that the modern interfaces of subscription to mobile advertising (e.g. Internet,) not only provide opportunities to obtain information on the gender and age of a subscriber but also to determine the subscriber's interest in a group of goods/services and even a specific brand.

Questions concerning the subscriber's gender and age, or if the respondent is active,

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do not arise in the conduct of a mobile advertising campaign. Instead the answers can be presented at the selection preparation stage. Additionally, at the same stage it is possible to state definitively which part of the target audience will comply with the advertiser's requirements. As opposed to conducting the campaign via traditional mass media, when an advertiser can only make assumptions about the number of advertising contacts, a mobile advertising campaign allows the advertiser to independently determine the number of advertising contacts that will be of interest. In this case the only factor open to question is the number of successful contacts. However, as a rule, when a comprehensive selection is made the number of successful contacts won't be less than 90%.

#### **Let's examine the situation through means of the following example:**

The advertiser has agreed to carry out an interactive call to action for subscribers. The action comprises the step-by-step transmittal of

messages to a selection of 100,000 subscribers. The messages offer the subscribers a chance to acquaint themselves with the advertiser's information. While detailed information will be sent, it will be received only if a subscriber is interested in it and confirms his/her consent. The first message sent to a subscriber contains general information that a new product by the advertiser is now available; the message offers to provide more detailed information. The second message provides more detailed information on the product and its advantages. In the third message, the subscriber can receive information on the sales outlets where the product is available, along with a hotline phone number. The action's results are as follows: The number of subscribers who received the first message was 95,000.

### ▼ DID U KNOW ? ▼



*"I have never worked a day in my life without selling. If I believe in something, I sell it, and I sell it hard."*

**Estée Lauder**

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The number of subscribers who gave their consent in order to receive the second message was 75,000. The number of subscribers who gave their consent in order to receive the third message was 50,000. The obtained data allow drawing the following conclusions:

Ninety-five percent of the message addressees received it via their mobile phones. Eighty percent of the subscribers, who had received the message, became interested in the information and requested more details. Sixty-seven percent of the subscribers, who were interested in details, also requested information on the points of purchase, which means that they showed a **direct interest** in purchasing the advertised product! Additionally, the subscribers who displayed interest but refused to receive the third message can be further motivated to visit the points of purchase using information on discounts or a special action. As is evident from the above example, there is no actual error in accuracy measurement of the mobile advertising campaign's results. This means the advertiser can work with highly accurate values in calculating the campaign's efficiency and producing forecasts. Based on higher accuracy—and by extension the value of a contact in the context of mobile advertising—it is reasonable to presume that the cost of this contact can and should be higher by comparison to the traditional mass media. It is inappropriate, to say the least, to compare the cost of MMS broadcasting with the cost of placing an advertising module in a glossy magazine or to compare the cost of IVR advertising with the cost of a radio commercial.

### ▼ DID U KNOW ? ▼



*"Advertising is, actually, a simple phenomenon in terms of economics. It is merely a substitute for a personal sales force."*

**Rosser Reeves**

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Therefore, based on the example of the interactive SMS – Text Messaging, we can assume that the cost of delivering the third message will exceed the cost of delivering the first message. This is because the third message is to be delivered to the most interested recipients, who are of particular value to the advertiser.

Please DO NOT ignore the fact that advertisers will initially be suspicious of the cost and ratings of mobile advertising. They will bring up many questions, notwithstanding all the arguments provided. However, the first results will help these advertisers to see the difference in the efficiency and value of the campaigns for the addressees of an advertising message. The use of mobile advertising tools will enable an advertiser to say exactly which part of its budget will be used efficiently. This provides a marked contrast to a common suspicion among marketers: "I know for sure that a part of the advertising budget is being wasted, but I'm not exactly sure which one it is."

*Whew! That's a lot for a Monday Morning, but I wanted to share with you a New Way to look at your advertising dollar allocations. Have a Prosperous Week!*  
**Brent**

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