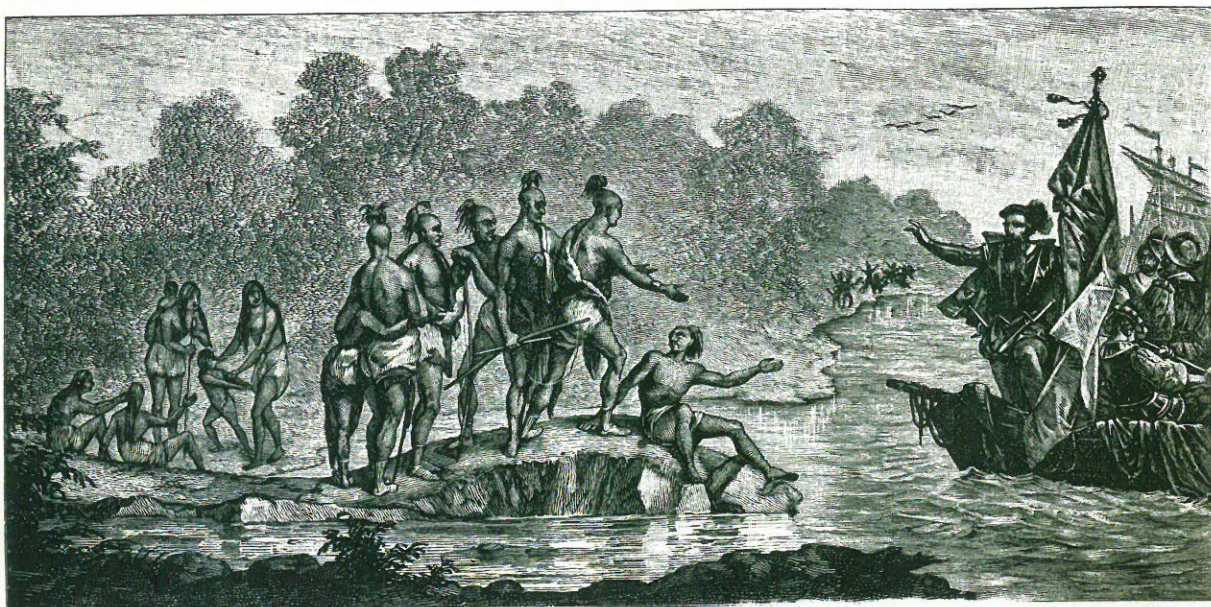


# UPWARDLY MOBILE

It's something we're reminded of constantly: Mobile media is the way of the future. It will become a massive advertising player as the mobile phone becomes the centre of all communications. But disarding all the hype for a moment, the numbers simply don't back up the trend. What is holding back the mobile juggernaut in Singapore? **Cherisse Beh** finds out.



## Brave new world

**Mobile phones are an undeniable part of** everyday modern life. They rarely leave our hips, pockets and handbags, we carry them around with us to the washroom and we tote them at parties so as not to make small talk with strangers. We furiously SMS people at random, we twitter as we commute in the mornings. We even bring them to bed just in case the boss texts us from Disneyland to ask us if we've won the pitch.

The ubiquitous mobile phone has penetrated our city so deeply that kids as young as six have them in their backpacks — to remind their grandparents or maids to pick them up after kindergarten.

According to a recent release by International Telecommunication Union (ITU), the number of mobile subscribers across the globe by the end of this year is likely to reach 4 billion, with the bulk of the growth being attributed to countries like Brazil, India and China. The year-on-year average growth has

averaged about 24% since 2000 to the present, day and mobile penetration is expected to clock 61% by end of 2008.

But think, just a little over ten years ago, owning an alphanumeric pager was cool, and getting messages over voice mail made you feel important. "Instant two-way" mobile technology was close to non-existent. However with innovation and development the parts mobile phones play in our lives are inexhaustible.

According to the IDA, Singapore's total mobile phone subscription in July registered 6.2 million and the island's mobile penetration is staggeringly high at 136%. In comparison however, subscriptions to data plans are relatively low, estimated at below 10% amongst mobile phone users and the number of active users here are not hitting close to the figures expected.

Nielsen Mobile published a research paper on the mobile web which stated that the

US, UK and Italy are the leaders in mobile internet penetration, as they hit 15.6%, 12.9% and 11.0%. Singapore in comparison was at a low of 3%, while China's clocked in at 6.8%.

So what are the issues facing mobile media in Singapore? Why the inertia and what are reasons for it not taking off?

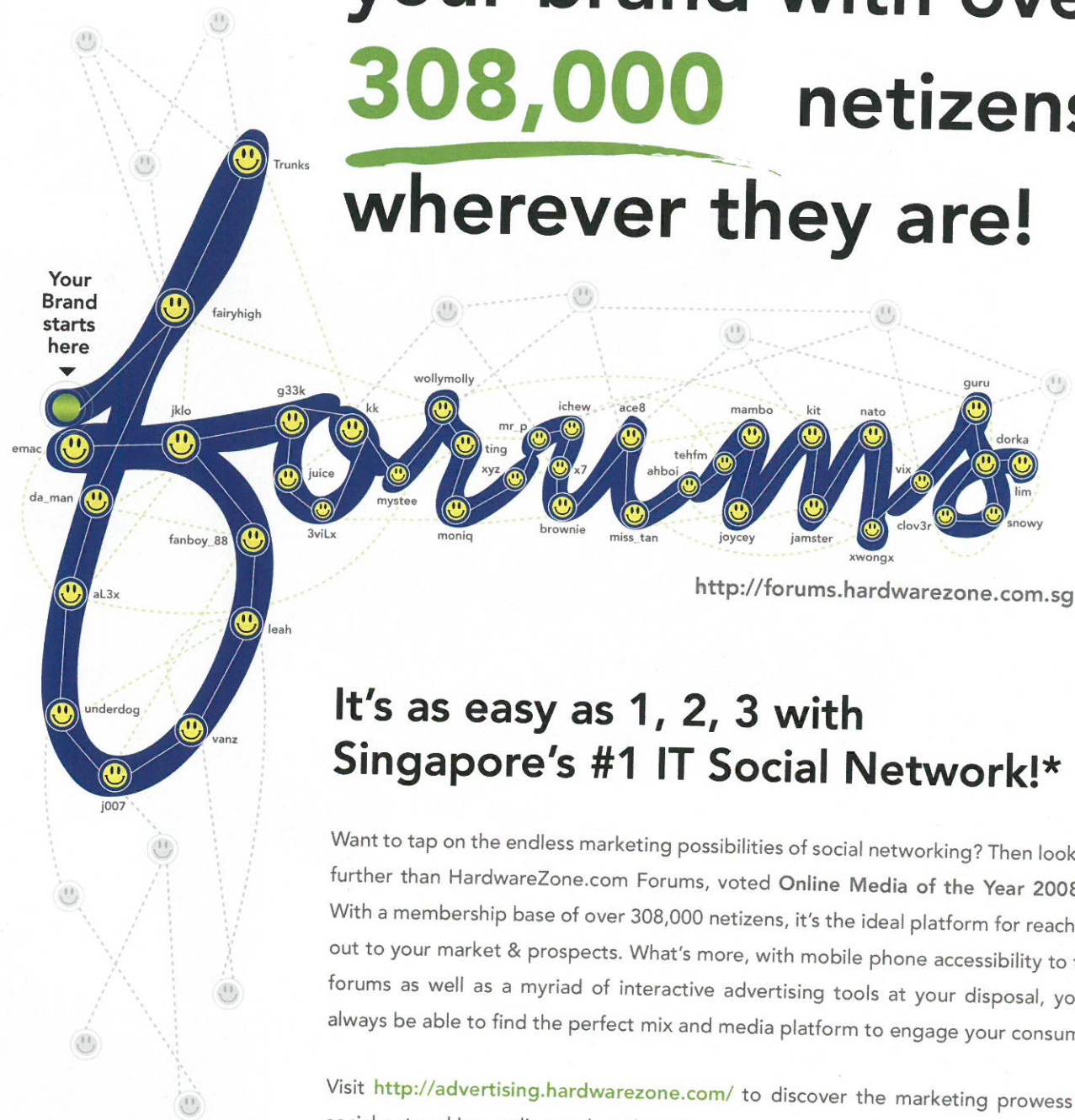
## Who's brave enough to take on the new world?

Suzie Hoban, engagement planner at BBH Singapore says, "It's a very confusing space and there is little information out there about best practices for the industry."

"Firstly there are no major portals you can rely on to drive traffic to your WAP site. You can tie up with an operator and be on their WAP portal but then your communications are limited to the subscribers of that mobile carrier. If you decide to go it alone, you need to put a lot of resources behind driving people to your WAP site, mostly using offline media like



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## MOBILE MEDIA

outdoor, TV and print. This can make a mobile campaign extremely expensive and there are no guarantees that anyone will even see it."

Robert Kim, senior director for digital media at MTV's Viacom Brand Solutions, concurs that digital advertising in general and mobile are relatively new, so it will take time for advertisers to get comfortable with the medium.

And this seems to be one of the biggest problems facing this new arena, the big black unknown. Even though many are touting the great potential of this platform, marketers are simply still tiptoeing along the fence and not willing to commit larger percentages of their budgets to mobile marketing.

Germaine Ng, head of StarHub's advertising sales says, "Advertising over the mobile is a completely new media. Advertisers who are comfortable with their current media buys are hesitant to try a new platform except as a trial or a short-term campaign to test the waters. We expect this to change once mobile advertising become more widespread with mobile operators round the world, and it has a more substantial track record."

Ben Fones, client service director at Affle, says part of the problem is budgets, as the money allocated to mobile is "still a far cry to what marketers would commit to traditional media like TV and print. Actually if there were an advertiser who had a million dollars to spend on mobile, you'd be hard pressed to find the technology to do that."

However, as Vincent Toh, Celltick's GM for APAC, points out improvements have been made in the space in the past five years. More marketers are willing to go into this market, but still are taking a very cautious view. They are not going to invest multimillion dollars into it, but instead through trial and experience they learn better methods of harnessing the media.

"I think mobile advertising will really start flying in 24 months time. Our core value of our solution is idle screen messaging which encourages more content usage. And once we achieve mass reach, we can start to go to the advertisers with a more compelling offer," Toh adds.



Affle's SMS 2.0

### Freeloaders like to be free and get things for free

The largest issue for the consumer is cost. Most standard mobile plans charge for data - that is the mobile subscriber pays an amount per kilobyte of data downloaded via 3G or GPRS. Data charge is usually on a per-use basis rather than a flat fee (like the internet), therefore, users tend to be cautious or hesitant in anything that is data heavy. The problem is the consumer never knows simply by looking at it, how big an online page or a downloadable file is, and therefore they have no idea how much they'll be charged.

On the internet people get most services and content for free hence they are usually more open to advertising to support those services. However with regard to mobile consumers pay for most services, therefore, they

are less open to advertising.

Whilst people use SMS and it still remains a viable channel hence solving the problem of high data charges, advertisers and agencies need to find more creative ways to use it than just sending discount coupons or other promotional offers.

"SMS marketing is really crap. Because SMS is partly limited to the amount of characters without visuals, text alone can't really tell you a lot of things. However, having said that, I would feel it is an important bridge to mobile marketing because once data plans start getting cheaper, 160 characters per SMS is long enough to hold URLs. So you can click on the URL and go to the site which ideally would be optimised for mobile interface," Lim Chuan Jer, SPH Magazines' GM for new media says.

The mobile device is also considered

### GOOGLE FIXES GAZE ON MOBILE

After 18 months of rumours and innuendo, Google finally launched its big foray into the mobile phone sector at the end of September with a device that it is bringing to the market in conjunction with HTC and the telco T-Mobile. The T-Mobile G1 phone is a 3G phone which is the first that uses Google's open source Android operating system, and offers Google services such as search, Gmail, Google Maps and YouTube. The phone also offers music downloads through Amazon MP3. The G1 phone is priced cheaper than the iPhone, and will significantly raise the level of competition that the popular Apple product faces. The Google powered phone fun hits the US and UK markets in October and November respectively, while the other European countries to wait until 2009. There is no word yet on when the device will land in Asia but one thing is clear, the G1 phone is set to shakeup the mobile market in a big way.

A Google Singapore spokesperson says that the internet giant "wants to provide a better mobile experience for people by giving them more features. We want people to have seamless use. We're creating more innovation in the space, which is to everyone's benefit."

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#### Singtel's sweet treats

for the design and hosted the WAP pages, including the contents for the WAP Pages for three months – eventually it captured 1090 zaps.

#### Mobile can be used for almost anything

How do farts, chewing gum and mobile marketing get associated with each other? BBH created a campaign, for Air Action Vigorsol a chewing gum brand in Italy last year, centered on Cippi – a chipmunk with incredible farting powers given to him by the 'fresh air explosion'.

Vigorsol next partnered with Vodafone to reach mobile savvy teens in Italy. The TVC featuring Cippi was seeded on influential blogs and via an MMS push to Vodafone subscribers. All online communications drove consumers to the WAP site featuring content including "Trump Selecta!" – The fart to suit any occasion; the world's first digital whoopee cushion; and "Wind Chimes" – to create farting tunes. Eventually over 300,000 files were downloaded and shared peer-to-peer.

StarHub has also worked on mobile campaigns with advertisers in travel, food, lifestyle products, automotive, movie distribution, etc. All of them to some extent use it to test the waters of the new platform – mainly to see if it can drive foot traffic in stores or roadshows.

PropertyGuru.com.sg also recently launched its PropertyGuru's Mobile AgentNet.

Advertisers can use its new mobile platform to promote their mortgage products and referral incentives directly to agents via the banner ads.

"We tie up with third parties like Cathay Cineplexes, Harvey Norman and Pizza Hut occasionally to offer special promotions to our customers. They are sent via SMSes to our customers," Wong Soon Nam, SingTel's VP of consumer marketing says.

"To safeguard customers' privacy, and to ensure the ads aren't intrusive and effective, no database information was released to third parties and ads were targeted and relevant to our customers. The messages were also permission-based as SingTel felt customers then will be more receptive towards the ad and positively influence click-through rates."

#### The potential for growth and wealth

While the efforts of telcos and marketers who dared to jump into the void are laudable, however the "walled-garden" approach of keeping mobile subscribers within the operator's portal lest they be charged for data is hampering uptake.

Mobile marketing looks to be a lucrative business. According to Tomi T Ahonen, author and consultant on digital convergence and mobile telecoms, who is based in Hong Kong and lectures at Oxford University on high tech and convergence, mobile is a healthy mass media capable of generating major revenues from



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legitimate "wholistic" content services, not just the seedy side of any new mass media like adult entertainment, gambling and advertising.

To show the potential as well as the exponential speed in which mobile marketing is set grow, Ahonen cited this example in an online blog article: "Social networking was launched commercially in South Korea only in 2003 when mobile Cyworld launched. Today mobile social networking is a giant industry. It was worth US\$6 billion in 2007 (according to Informa 2008) and had over 100 million paying users on mobile. Stop and think about that for a moment. From US\$0 at the start of 2003, to US\$6 billion four years later in 2007 – this is by far the fastest growing industry in the history of mankind."

Stacy Fassberg, Celltick's VP of Marketing, says in terms of the size of the market and where mobile marketing is heading, she has seen statistics anywhere from US\$11 billion, US\$25 billion, to US\$250 billion.

"It's a big industry today and we're looking to take advantage of it. Particularly in Asia, there seems to be a strong desire to move to mobile marketing both from the operator perspective, the brand perspective, and even the consumer perspective. Operators are obviously interested in new ways to make money. This is [mobile marketing] not 'a nice to have' anymore, this is a 'need to have'. The operators must find alternative ways to make money. And it's equally important to the brand."





Farting Chipmunk

a more 'personal' platform and advertising will be viewed as more intrusive. Kim added, "Consumers were 'burned' in the past with spamming and costly scams, and the phone is a more personal medium, so consumers are more resistant to many forms of advertising."

High PC penetration in Singapore has also hurt the market for mobile internet, and as result of the shorter commutation time people usually just head home to go online rather than through their phones. However, in countries like Thailand and Indonesia, where internet penetration is low there is a greater role for the mobile internet.

#### From lines to dots to colour

It's hard to imagine the mess of two-dimensional dots, blots and lines used to track car parts would evolve and kick-start an entirely new wave of mobile marketing in Japan, and eventually to other parts of the world. A Japanese electronics company, Denso Wave, created "Quick Response" (QR) code technology which can be decoded easily.

In Japan, 90% of the population is connected to web via their mobile. Through 'point and click', when a user takes a snapshot of the black and white 2-D barcode, he or she will be able to access additional 'hidden' data. It can be additional background information of a product, retail promotions; some are even encoded to have the code immediately link to a website.

SPH New Media is the sole distributor of ColorZip's ZapCode in Singapore. Zapcode is similar to QR, as it also has a barcoding fea-

ture, and can be said to be the next generation of barcode technology launched after QR started to be used by the masses in Japan in 2000. With similar 2D codes as like QR, it has four colours, red blue, green and black, allowing for 17 billion permutations and combinations which is many times more than the original.

A situation which Zapcode faced, as did QR, was that the software had to be specially downloaded onto phones to enable the handset to decipher the code once it had been photographed.

Now most phones sold in Japan now have the software built in. In October 2007 to encourage more Singaporeans to take up Zapcode - ColorZip entered a partnership

calls and texting. They are not aware of the fact that cost per zap costs less than S\$0.20 for 30 kb and this cost is further reduced if one subscribes to a data plan for example paying S\$3 for 30MB of data download," Kuah Sok Khim, assistant GM of SPH's New Media's Zapcode division, says.

Like Hoban, Kuah says telcos have to play a part in boosting mobile marketing in Singapore. One of the most effective channels she recommended is for the telcos to entice users to increase data usage through more aggressive marketing efforts for their data plans, or build data charges into monthly phone bills like how smses are currently charged.

"A challenge we face is encouraging trial amongst advertisers, who have been using

**Consumers were 'burned' in the past with spamming and costly scams, and the phone is a more personal medium, so consumers are more resistant to many forms of advertising.**

**Lim Chuan Jer, SPH Magazines**

with Sony Ericsson to allow it to preload its software into new handsets. Currently about half a million phones in Singapore are ColorCam™ enabled.

Zapcode has found that mobile phone users in Singapore use their phones primarily for making calls and sending SMS. Even though it has been more than three years since the telcos launched 3G services here it has yet to gain traction amongst the masses.

"Singaporeans are generally concerned about GPRS charges and do not see the need to use their handsets beyond making

traditional media such as newspapers and TV for their advertising campaigns. We have to convince marketers of the key merits of this new platform, like accountability, real-time zapping reports for clients' campaigns, demographic profile of their target audience who has responded to their campaign," Kuah said.

It worked with Ermenegildo Zegna from 2 Jun to 30 Aug 2008 to have its own code on the front cover of BT. Other than inspirational quotes; each zap gave participants a chance to win a Zegna product. SPH was responsible