



A new form of proximity advertising is born

One advert, one text message

Experts and professionals in the sector agree that mobile phones are the future of successful advertising, since they give the advertiser total control over impact.

Imagine a communication medium that is carried in the customer's pocket, that is switched on for ten hours a day, that can receive sounds, pictures and videos, whose market penetration reaches over 90% of the population, that is interactive and can also be used to make secure payments. This is the mobile phone as described by Sixto Arias, chairman of the Mobile Marketing Association. According to a study carried out by Buongiorno Marketing Services and M:Metrics, 50% of Spanish mobile phone users who have received an SMS advertisement have bought the product or service in question. In North America, the number drops to 17.6%, while in Great Britain it is 27%. Within Europe, Spain is the country that is the most receptive to mobile marketing. Business investment in mobile advertising constitutes 3% of the total investment figure.

According to Arias, until now, the advertising sector has had no way of knowing what percentage of an advert's target audience was interested in the product, since there was no means by which the customer could communicate with the company. However, the advertising agent advises companies to keep in mind that the mobile phone is something very private, personal and physically close to the customer, "so we have to respect the users and let them be the ones to initiate any dialogue." The applications for this type of advertising include local tourism guides (via Bluetooth) or housing adverts that enable users to access information and photos and to arrange viewings.

Mobile phone operators are leading one of the latest trends in this market by proposing free minutes or text messages if customers agree to receive adverts on their mobile phones.

A fragmented market

The network of companies acting as intermediaries between the advertiser and the mobile phone user includes groups such as Shakleton, Tempos 21, Sit Mobile and Arista. BeRepublic was set up in Barcelona in mid-2005 by Gerard Olivé and Jordi Sanllehí. They currently have just one office based in the Catalan capital, but they hope to open another two in Madrid and in another European capital. Its expansion plan includes revenue of €1 million for this year and a 150% increase for 2008.

Its founders explain that they work with businesses like Panasonic, Danone, Corporación Dermoestética and Vueling, among others. Some of the BeRepublic staff are based in technological centres in the Philippines and Argentina.

Virtual Invitation

Daem Interactive was the company behind the launch of the Damm Group's new Saaz beer. Using its technology and text messaging, the company asked consumers to vote whether or not they liked the beer, and offered them the chance to attend a launch party if they sent a multimedia message. To do so, Damm



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placed ballot boxes in various bars for voting. Customers could take photos of these points and send them in exchange for an invitation. Based in Barcelona, Daem Interactive specialises in image recognition technology.

Sit Mobile focuses on more conventional mobile messaging, called *one-to-one* marketing: the advertiser provides the consumer a service via their mobile phones. Sit works with companies such as FC Barcelona, which sends its members information about upcoming matches, and Son Llätzer Hospital, in Palma de Mallorca, which reminds its patients of their medical appointments. The company also provides services via Bluetooth, although it is not specialised in this area.

Sit Mobile General Manager Marc Bonavía admits that Bluetooth technology is the future of the sector because it allows you to get very close to the customer, whose phone has to be on to be able to receive messages. Sit expects €8 million in revenue this year: a 60% increase compared to last year.

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