

Horizons

The quarterly newsletter from Mobileway

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What is the Mobile Way?

In today's increasingly high speed and mobile environment, people become ever more dependent upon technology to organize their daily lives. As the line between professional and personal becomes more and more blurred, working days are increasingly operating to the 24-hour clock of the global marketplace and personal schedules organized via email, or mobile messaging (SMS). This disappearing distinction between work and play is one that can be embraced and turned to an advantage by developing even further the ability to carry out secure and efficient mobile transactions and so easing everyday lives.

Mobileway seeks to provide a service to mobilize individuals and workforces as a whole to reach a wealth of information seamlessly and cost-effectively across mobile networks.

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Mobile Marketing, “the Killer App”? Case studies on some successful projects where SMS has revealed to be the “killer channel” for direct marketing.

The Spring issue of this quarterly newsletter also brings interesting perspectives on empowering your enterprise through corporate mobilization.

With news highlights from around the world together with commentary and opinions from industry players, Horizons provides an insight into Mobileway’s broad range of activities.

2 – Mobile Marketing – Are you getting the message ?

According to recent estimates by the Mobile Data Association, the Global SMS and messaging industry was valued at \$44 billion in 2001, which makes it even bigger than ‘Hollywood’!

With one billion mobile users, the mobile phone is a marketers dream tool, not least because it has yet to be overcrowded by advertisers. At the first glance the mobile phone hardly looks like a seductive advertising vehicle, but being ‘always on’, omnipresent and belonging to a predominantly young or professional user, has led to a surge in interest by corporations on introducing mobile marketing as a targeted publicity platform.

Analyst, Frost & Sullivan, predicts response rates to mobile marketing campaigns of around 40% compared with 3% from direct mail and 1% for Internet banner ads. Although much of this can be attributed to the ‘novelty factor’, which will inevitably fade, as was the case with fixed line Internet advertising, there is strong evidence that mobile marketing is a powerful tool. Some of the leading factors contributing to the strength of mobile marketing include: cost effectiveness - a text message costs on average between 3-5p as compared to around 50p for an average direct mail piece; it reaches the attractive 14-24 year old age bracket normally a difficult target through traditional marketing channels; and unlike email, messages have to be opened in order to be deleted.

The business case for m-marketing forming an integral part of the marketing mix is fiercely dependent upon two factors: avoiding mobile ‘spam’ by ensuring m-marketing schemes are ‘permission-based’ and constructing the right revenue model for mobile data.

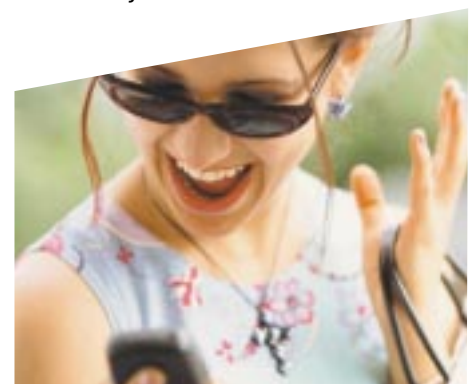
To date the network operators have been taking the lion’s share of mobile marketing revenues, and so m-campaigns have proved fairly costly for businesses. Pilot schemes introducing product placements have been run with some success in Japan, other options for revenue models include drawing a parallel with television by introducing subsidies under the guise of license fees and advertising. These options only become really attractive on arrival of media-rich messaging heralded by technologies such as MMS and 3G, which are still a long way from mass-market roll out.

The ideal situation is a revenue scheme allowing the fair allocation of monies to all participating parties: carriers, content providers and users alike. Revenue sharing schemes have already started to emerge, with operators recognizing it as a way to generate new revenues and cutback the time to market of new services, while content providers rely upon it as the all-important channel to the mobile market previously so difficult to penetrate.

Companies wishing to set up m-marketing campaigns based upon revenue sharing face a number of complex hurdles. In order for the scheme to touch a maximum user base, the SMS reach needs to extend across

all mobile networks. Taking the UK as the example, this would entail setting up revenue sharing agreements with all four host networks: Vodafone, T-Mobile, Orange and O2, a process entailing four different technical interfaces as well as the added complication of four separate billing accounts all controlled by the individual operators. Complicated enough on a domestic level, the minute the campaign takes on a global focus the logistical problems can seem insurmountable.

Mobileway has a vital role to play in addressing these hurdles. With established direct connections through bilateral commercial contracts with network operators, Mobileway can act as a single point of access to an otherwise complicated network impeded by technical and business barriers. Mobileway currently operates an unrivalled global network for SMS transport with direct connections to 88 mobile operators around the World. By having both message infrastructure expertise and the ability to manage the money flows via cost-effective service fees, messaging management companies really can deliver a truly seamless return on investment and make mobile marketing more than just a dream tool for marketers.



The enormous success of campaigns such as the two outlined below will undoubtedly ensure that mobile marketing becomes a vital and integral part of companies' direct marketing strategies as more and more businesses cotton on to the

strength of the response rate and the cost effectiveness of the mobile as a marketing tool. The importance of reaching all subscribers on a local level or of conducting pan-European or global campaigns

for larger consumer brands ensures that Mobileway, with its unrivalled reach, has an essential role to play in the future of mobile marketing.

DIAL-A-DONUT CAMPAIGN FOR DUNKIN' DONUTS IN ITALY

Who: Mobileway, Adreact, Dunkin Donuts – Franchised in Italy by Sweet & Co

Where: Rome, Italy

What: Four Billboard, 2-weeks on the radio, 1500 leaflets dropped among students and posters in all 8 of the stores was the lead-in to the Dunkin Donuts campaign in Rome. Donut-lovers were invited to enter a prize draw using SMS receiving in return a money-off or free coffee voucher sent back to the consumer's handset for redemption in one of the 8 Dunkin Donuts outlets in Rome. Further interaction was encouraged with options to text further to obtain addresses of the franchise outlets, statistics regarding Dunkin Donuts or to enquire for employment opportunities. Redemption of the SMS coupon in-store and purchase of a Donut in addition automatically entered users into a draw for a free Piaggio scooter.

Why: To increase footfall in the Dunkin' Donuts stores & raise awareness of the brand

Outcome:

- **20% increase in sales during the campaign period – of which 9% can be directly attributed to the SMS campaign**
- **90% of the people claiming the free coffee purchased another product at the same time**
- **More than 50% of respondents opted to continue interaction following the initial SMS response, with 41% of those actually requesting the addresses of outlets**



PEPSI 'THEY'LL TAKE YOU THERE' – AUSTRALIAN COLA MARKETING

Who: Mobileway, Communicator, Pepsi

Where: Sydney, Australia

What: Pepsi's 'We'll take you there' campaign, an SMS and mail-led contest running on the back of Pepsi drink cans invites consumers to send in their name and a keyword to become eligible for a prize draw offering winners the chance to attend the Melbourne and Sydney Rumba festivals. The competition also featured on Channel Ten's 'Pepsi Live' program airing every Saturday evening and Sunday morning.

Why: A trial campaign to investigate the effectiveness of using SMS as a channel for entering promotions

Outcome:

- **Over 100,000 replies from combined mail & SMS campaign – 21% from mail and an outstanding 79% from SMS**
- **6,500 responses from the 50-second TV slot on Pepsi Live show, testament to the rapid response rate that SMS affords**
- **Overwhelming evidence regarding the efficacy of SMS as a competition response channel**



3 - Messaging for the Corporate Market : Workforces on full alert

With working days increasingly operating to the 24-hour clock of the global marketplace, the need for technology enabling professionals to be 'always on' and 'always reachable' is paramount. A growing emphasis on greater productivity, flexible working hours, and decentralized organizations has resulted in remote working becoming an

attractive option for corporations. According to a survey carried out in 2001 by UK mobile network operator, Orange, 33% of mobile users use text messages to communicate with work colleagues, an indication that messaging technology has a growing role to play in everyday working practices.

Global Working – a 'remote' chance

The convergence between the Internet and the ubiquitous mobile device, the two fastest-growing communications technologies of all time, has been long awaited in order to deliver rich information services directly into the hands of mobile consumers all over the World. Japan has already benefited from the Internet going mobile with successful schemes such as i-mode and the launch of the World's first 3G network, Japanese consumers can already enjoy access to an array of mobile services. Predicted user volumes from research groups running as high as 1 billion mobile Internet users by 2004 have been the incentives for Mobile Operators to invest in the next generation broadband networks, which will enable the transfer of multi-media content. However, the recent crippling downturn in the telecommunications market has cast a dark cloud over the future of 3G and has left operators turning to current technologies to fuel the demand for mobile data services.

Current corporate mobile users are frustrated by today's mobile data access situation with its complicated connection processes, lengthy connection times, low speeds, dial-up code confusion, inability to download large files and exceedingly steep roaming charges for international access. So while the technology is available, the wireless industry still has a challenge to manage users' expectations and convincing enterprises to adopt it.

SMS – keeping the field up to date

Clearly there are certain industries better suited to mobile working than others, with

particular appeal for corporations with travelling workforces. The early adopters of mobile data services mirrors the trend with laptops in the mid 1990s, with rapid uptake by field sales forces of financial services, utilities, health care and pharmaceutical companies. Wireless handheld devices hold a number of advantages over their notebook counterparts: improved portability, faster speed from start-up, and simplified operating systems meaning 'less to go wrong'. However, on the flip side there is the issue of patchy wireless coverage in some areas, slow speeds and small screens, which make browsing and downloads over so-called wireless Internet frustrating and unreliable.

Addressing these drawbacks, many companies have already implemented projects working off SMS technology. The simple textual format of SMS is ideal for real time transfer of information. Using messaging with their front line workforce for simple time and expense tracking, allows workers to send their time and cost data for a particular job back to the head office where it can be processed immediately and invoices issued without delay. Granting sales forces wireless access to up-to-the-minute inventory and pricing information has proven to reduce the number of client visits required to close a sale from five to three and allowed on average up to a 40% cut in back office staff.

A further example of industry-employed SMS is in Machine-to-Machine (M2M) communication or Machine-to-Person notification particularly prevalent in the remote monitoring of machinery. Some companies employing this system, such as construction-machinery manufacturer Caterpillar, have claimed up to 66% reduction in downtime and 60% reduction in resulting costs.

Modern business practices the driver for wireless working

For companies less reliant upon field representatives, access to mobile data services is rapidly growing in appeal. A movement away from the traditional 9 to 5 working day with trends such as flexi-time, off-site working, and longer commute times becoming the 'norm', all adds to the demands by employees to become 'always on'. The more time an employee spends out of the office, the more time is needed on his return to clear the backlog of e-mail accrued during this time. Access to mobile data and particularly e-mail allows the

The benefits, which the fixed-line Internet has brought to corporations, have prompted large-scale investments in technology infrastructure. The next logical step is to extend these wired systems to the omnipresent mobile device, the PDA (perso-

nal digital assistant) and the mobile phone handsets, to ensure that employees can access necessary information from anywhere.

best use to be made of travelling time and the 'dead time' in between meetings, bringing about an immediate productivity gain for any company.

Making the move into wireless working need not be an enormous investment for corporations. Traditional providers of enterprise software for wired networks have started to make the move into the cellular space easing the wireless migration for companies who have already invested heavily in high-speed corporate networks.

Microsoft has a strong presence within the corporate environment as the producers of the leading enterprise mail server, Microsoft Exchange Server. In recognizing the rapidly increasing mobility needs of individuals and indeed workforces, Microsoft developed the Mobile Information Server 2002 (MIS) to extend the reach of Microsoft .NET services to mobile users. This means that a company's workforce can receive SMS notifications of email, calendar items and important tasks directly to their mobile device. Working on the same principal as instant messaging, the Microsoft MIS ensures instantaneous data transfer.

In a similar way, Oracle assures its corporate clients of a fully integrated solution to embrace the potential of E and M-Business with the launch of the next generation of its Oracle9i Application Server. The wireless capabilities in Oracle9iAS offer the only complete, integrated software infrastructure for developing and deploying applications that are accessible via Web, wireless and voice interfaces. Oracle's mobile partners offer cutting-edge technologies for location-based services, mobile commerce, rich multimedia, security, telematics, and voice

to form a powerful mobile platform for delivering the next generation of mobile enterprise applications and services to its corporate customers.

The Mobile Way

Whilst the mobile consumer eagerly awaits the long-heralded arrival of high speed mobile Internet, with access to video streaming and animated graphic content, the business user is seeking effective and reliable solutions today to improve productivity, reduce support costs and the ability to be 'always connected' in an affordable way. Today's messaging technologies provide corporations with a method to meet the 'roving' employee's demands.

Remembering that each employee is a consumer too, putting more and more enhanced wireless technology right into the hands of the business user will in turn fuel corporate desire for the new services promised by the true broadband, mobile Internet of the next generations of wireless technology. The line between professional and personal is becoming dimmer by the day, this fading distinction is one that can be embraced and turned to an advantage by developing even further the ability to carry out secure and efficient mobile transactions and so easing everyday lives. By leveraging leading edge services from companies like Oracle, Microsoft and Mobileway, SMS fever is certainly on the point of outbreak within the corporate sphere.



4 - Short messages from Mobileway...

COFFEE & SMS – MOTOROLA'S MOBILE SERVICES CAFÉ



Mobileway has been selected to provide the SMS-based services for Motorola's recently launched Mobile Services Café. Designed to arm operators with a suite of current and next-generation mobile Internet applications and services enabling them to differentiate their offers and customize packages according to target user groups. Current mobile Internet applications include downloadable ring tones.

"Motorola is using Mobileway's unique Global Network capability to simplify the launch of new SMS-based services now and in the future. Being carrier agnostic, Mobileway provides Motorola with a single point of access to true global coverage for Mobile Services Café solutions." - Mike Bordelon, Corporate Vice President and General Manager of Motorola's Internet Software and Content Group (ICSG).



MESSAGING FUN – GLOBAL

ALLIANCE WITH FUNMAIL™

An agreement has been struck between Mobileway and FunMail to integrate the latter's animated messaging system into Mobileway's global hubs. The World's first system to automatically 'translate' text messages into fun, engaging animations for subscribers features a database of cartoons from a number of well-known animation series including Garfield, South Park and Hello Kitty.



TUNING IN THE ISPs – ZINGMOBILE'S RING TONES & LOGOS



ZingMobile is now targeting Internet Service Providers as well as operators for downloadable tones, logos and picture messages using Mobileway's extensive delivery network in Asia Pacific.

"Mobileway's extensive network coverage, coupled with international presence allows us to penetrate the overseas mobile markets with much ease," said Benedict Paul, Director of Technology, ZingMobile Pte Ltd. "The Mobileway-ZingMobile partnership is a powerful differentiation tool for ISPs to develop their services and increase customer loyalty," he added.



TOP OF THE POLLS i4uuu – i4UUU, CHANNEL

V & MOBILEWAY GET THE VOTE

Internet and telecoms ASP, i4uuu teams up with Mobileway and Taiwanese Television's Channel V to launch a groundbreaking 2-way voting campaign enabling music fans to vote for their favorite new artiste via SMS. Connecting users from all five of Taiwan's mobile networks, totaling around 20 million subscribers, Mobileway delivers both the vote from the user and also sends back the voting status message issued by Channel V.

"We have chosen Mobileway because the company has direct connections with all the five mobile operators in Taiwan. This means that mobile subscribers residing in different networks are able to participate in this voting campaign." - Michael Lai, CEO, i4uuu Group.

CELPH - Alerting shoppers to special offers

Visitors to Singapore's Jurong Point Shopping Center can opt for CELPH Alert by sending a text message to an advertised number stating the number of hours the shopper will be in the commercial center that day. Upon registration, shoppers will receive a free service of SMS alerts to his/her phone during his/her shopping experience, informing the user of special offers, events, and store promotions. CELPH, a leading developer and mobile application provider, selected Mobileway to manage the two-way SMS alert scheme because Mobileway's carrier-independence ensured that they could reach 100% of the mobile shoppers.



impiric

A WUNDERMAN COMPANY

"Mobileway was the chosen partner due to their range of services, their flexibility and their ability to access Telco's around the AP region. This allows Impiric to implement SMS solutions across all our offices in the region when required." - Charles Tidswell, Group Director, Impiric Singapore

MOBILEWAY & SIEMENS WIN THE BATTLE AT SMS 2002

The inaugural awards taking place at London's SMS 2002 conference this February, saw the awarding of the 'Best Practice in Consumer Application' title to Mobileway and partner Siemens for Mobile BattleMail KungFu. The interactive mobile fighting game, enabling real time KungFu battles between players across the globe was launched on Siemens C45 handsets prior to Christmas 2001. It is the first example of a revenue-sharing application.

SIEMENS



THE HONG KONG CONNECTION

Mobileway has launched an International Inter-Operator Short Message (IOSM) environment to mobile subscribers in Hong Kong. Providing a cross-technology boundaries network enables users to send messages on both a local level to users subscribed to any mobile network within Hong Kong itself and internationally to mobile users anywhere across the globe regardless of their network whether GSM, TDMA or CDMA.



WHAT DO ANALYSTS SAY ABOUT THE MESSAGING MARKET ?

€ 3,3 billion

Is the amount European consumers are going to spend for content such as ring tones, e-cards, news alerts...over mobile phones by 2006.

Source : Jupiter MMWI

12 %

Of European operators' revenues are generated by SMS. In 2007, this percentage will represent 47% !

Source : Forrester Research

360 billion

Of text messages will be sent in 2002 in the World, which represents an increase of 44% in comparison with 2001.

Source : GSM Association

44 %

Of worldwide mobile users are willing to pay through their mobile phone.

Source : ATKearney

VISIT SCOTLAND – EXTREME MESSAGING FOR STUDENTS

Once again working with Mobile Marketing partner, Adreact, this project for Visit Scotland, Scotland's Tourist Board, was to promote extreme winter sports among students in the UK. A postcard-campaign was carried out among undergraduates in Manchester University, inviting students to text their name through to a number to enter a contest to win an extreme sporting weekend in Scotland.

FREE SMS SERVICES – EMPOWERING AUSTRALIAN MOBILE DATA SUBSCRIBERS

Australian Direct Marketing Agency, Empowered Communications, hosts one of the largest opt-in advertising databases in Australia. Teaming up with Mobileway, Empowered via its SMS Pup.com service offers its subscribers Free SMS services in return for e-mailed adverts. With subscriber numbers now exceeding 170 000 (30 000 signing up in March alone), Empowered offers users the option to accumulate SMS Pup points. Each e-mail advert read and actioned via a click through can earn the user points that can be redeemed against a Free SMS message quota.

5 - Who is Mobileway?

Mobileway is the leader in managing and monetizing mobile transactions across the globe. With direct connections to 88 mobile carriers, Mobileway is unique in its unrivalled reach to 90% of the World's mobile users. This glo-

bal reach allows Mobileway to guarantee partners and customers cost effective, secure deployment of mobile applications to both professional and personal mobile users. By expanding the reach of lifestyle services including

instant messages, infotainment, mobile marketing, m-commerce and enterprise applications, Mobileway increases the value of mobile data for operators, content providers and corporations alike.

6 - Tradeshows & Conferences

Industry publications, experts, and pundits have been talking up this groundbreaking service. See or hear us at one of our many upcoming events.

April 9-10, London

Mobile Entertainment Conference

April 16-17, Singapore

M-Commerce World Asia

April 23-24, Singapore

*Mobile Content,
Entertainment & Gaming*

April 23-24, Baden - Austria

Telekommunikationsmarkt 02

May 21-24, Kuala Lumpur & Singapore

FIK International

June 3-4, Bangkok

Mobile Communications Thailand

June 18-21, Singapore

Communic'Asia

7 - List of offices

Mobileway USA

1501 Bollinger Canyon Road - Suite B
San Ramon, CA 94583
Tel: +1 925 362 0607

Mobileway France

124, rue de Verdun
92800 Puteaux
Tel: +33 1 41 44 95 60

Mobileway Germany

Markgrafenstrasse 58
10117 Berlin
Tel: +49 (0) 30/206467-3

Mobileway Italy

Via F.lli Gracchi, 27
20092-Cinisello Balsamo Milano (Mi)
Tel: +39 02 61 24 67 1

Mobileway Ibérica, S.L.

Pso. General Martínez Campos 42,
Semisótano
28010 Madrid
Tel: +34 91 310 06 75

Mobileway U.K.

42 Borough High Street
London SE1 1XW
Tel: +44 207 357 90 44

Mobileway Singapore

1 Jalan Kilang Timor
#08-03, Pacific Tech Centre
Singapore 159303
Tel: +65 836 44 30

Mobileway Australia

Level 12, 37 Bligh Street,
Sydney NSW 2000
Tel: +61 2 8233 6193

Mobileway Hong Kong

c/o Vertex Management (HK) Ltd
63/F, B, Bank of China Tower
1 Garden Road, Central
Tel: +852 2234 9001

Mobileway Malaysia

36th Floor, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur
Tel: +60 3 261 50015

Mobileway Taiwan

11F, 178 Fu-Sing
N Rd 104, Taipei
Tel: +886 2 27182191

www.mobileway.com