



Hypertag: Proximity marketing and all that

November 11, 2008



Advertising on mobile or cell phones seems to be at the top of everyone's agenda these days, no matter whether it be a start-up focusing their business plan around it or venture capital companies investing millions of their limited partner's cash on this seemingly forever expanding golden market opportunity. Predictions abound that the market will grow into a multi-billion dollar market over the next few years and they are probably right, though market growth has proved to be painfully slow to date - some even say 'glacial'.

Much of the slow growth has to do with the challenges of the mobile phone as a platform as they still difficult to use with user interfaces designed by people who seem to have never used their designs. Accessing the mobile Internet is still a challenge for many and horror stories still abound about bills of thousands of pounds for downloading content while roaming.

Most users are still stuck in the quagmire of the GPRS performance - or lack of it - that can often be as lethargic as the first days of the Internet nearly twenty years ago. However, this is really beginning to change. The advent of Apple's iPhone (and now its copycats) setting the mobile world ablaze with user interfaces *par excellence* and the roll-out of high-speed 3G data interconnectivity using HSDPA, CDMA or Wi-Fi really is beginning to make mobiles usable for accessing Internet based services. Dare I say that it is even beginning to be fun?

Mobile advertising is a broad church and includes many ways to engage and interact with elusive consumers including traditional graphic banner ads and 'splash' pages on mobile web sites, SMS or MMS messaging or ad inclusion in mobile video or pushed content. The opportunities are endless and there are many companies offering aggregation, syndication and publication technologies and services to brands or agencies that wish to gain the attention of those individuals hooked on using their mobiles twenty four hours a day.

An interesting sector of mobile services are **Location Based Services (LBS)** - [Location based services are alive and well](#). These are applications that enable the delivery of content or information based on a knowledge of the location of individual mobile phones. Locations are provided as a commercial service by mobile service providers. Location information is derived from triangulation techniques based on received signal strength and delays of an individual mobile phone wireless signal as it is received by multiple cell base stations. This enables the creation of map-based services that can provide the location of interesting near-by facilities such

as ATM machines, bars or restaurants. This can also provide information about friends' (or as Americans call them, buddies') locations. This capability is often called 'Presence' and was covered in an earlier post - [The magic of 'presence'](#). For example, the service can tell a user whether their friends are physically close to their current location and would be willing to meet up. Linking this to a social networking service with an embedded instant messaging service enables the creation of some very innovative services.

A second interesting sector that currently has less visibility than Location Based Services is known as **Proximity Marketing (PM)**. Proximity Marketing is a much more localised geographic basis than is possible with a Location Based Service as it uses either infrared, short-range Bluetooth ([The Bluetooth standards maze](#)) or Wi-Fi technologies installed on mobile phones. This involves setting up a Bluetooth based **Content Server** that can detect nearby mobile phones and interact with consumers who are enticed to 'opt-in' to received downloaded content.

As a consumer's location is exceedingly local to the proximity marketing Content Server, it is possible to provide content that consumer's really do want to receive through the opt-in process. For example, the Proximity Marketing service can be used to download purchased MP3 music or ringtones or images to place on the screen of the mobile phone.

It's also possible to use Proximity Marketing to provide information - think about visiting a museum or art gallery and being able to receive information and background on each exhibit or painting on your mobile phone as you pass by. These are called **Experiential Services**.

Let's get one thing out of the way before we go any further.

Is Proximity Marketing just another form of SPAM?

Although Proximity Marketing is quite well known within the advertising industry, it's quite interesting to see the reaction of individuals who are outside of the industry when this subject is raised. Often, the off-the-cuff reaction is to say "That's SPAM isn't it?". To me, this is clearly not the case. SPAM, as we all know it in our email in-boxes, consists of junk that no-one wishes to read or indeed open due to well-founded concern about viruses and malware. Moreover, it gets to my in-box whether I like it or not - there is no opt-out option with real SPAM.



Are banner advertisements on web sites created by advertising aggregators such as Google AdSense™ SPAM? No! Proximity Marketing, cannot be considered as SPAM as it is always based on the consumer *opting in* to receive the information or downloaded content. Consumers really want to interact and download what is on offer. I really couldn't explain it any better than as found in [Wikipedia](#):

"It used to be the case that due to security fears, or a desire to save battery life, many users keep their Bluetooth devices in OFF mode, or ON but not set to be discoverable. Because of this, often regions [locations] where Bluetooth proximity marketing is in operation is accompanied by advising via traditional media - such as posters, television screens or field marketing teams - suggesting people make their Bluetooth

handsets discoverable in order to receive free content. A discoverable Bluetooth device within range of the [content] server is automatically sent a message asking if the user would like to receive the free content.”

So, let's put the idea that Bluetooth-based Proximity Marketing is SPAM to bed; consumers usually request to receive proximity based content because they actually want to receive it. Also, Proximity Marketing is 100% legal. Don't worry that the next time you walk past a billboard you are going to be inundated with unwanted SPAM as it's much more likely you will actually want to see what is on offer and download it.

Few individuals will freely admit that they enjoy watching adverts and want them interrupting their daily dose of interacting with their friends through SMS or using their mobile based social networks. However, their attitudes can be easily modified through the use of incentives such as cash or money saving coupons and providing really interesting and innovative interactive advertising that really engages consumers.

One UK company that is very active in Proximity marketing is Hypertag Ltd.



Hypertag⁽¹⁾ (www.hypertag.com) is based in Cambridge, UK and was pretty much the first company to offer Proximity Marketing services starting in 2001.

Hypertag focuses on running Proximity Marketing campaigns for many of the world's largest and well known consumer brands and advertising agencies ([Top 100 Most Powerful brands](#)). Hypertag is unusual in that it has not only developed its own specialist software but also an optimised Proximity Marketing Content Server called, not unsurprisingly, a 'Hypertag'.

A Hypertag is a small dedicated computer that runs Hypertag's in-house developed software suite and is effectively a wireless base station. A Hypertag can communicate with mobile or cell phones equipped with infrared or Bluetooth communication facilities. The Proximity Marketing campaign content is stored in the Hypertag's memory and can be updated in real-time if the Hypertag is connected to the Internet. The reason I say 'if' is that there are two types of Hypertag; a **wearable** Hypertag and a **static** Hypertag which are described below.

Wearable Hypertags

A wearable Hypertag is physically worn by campaign promotional staff so it could be called a 'wearable computer'. The individuals who wear the Hypertag wander around events such as exhibitions and festivals and interact directly with visitors. For example, they could be giving away discount coupons or other promotional software or video clips. Specific examples of real Hypertag campaigns are described below.



From a technical perspective, content is loaded onto the Hypertag early in the day which is powered by a

battery pack attached to the shoulder strap. Because promotional staff proactively interact directly with individuals throughout the event, the number of downloads can be very high.

Each time an opt-in transfer occurs, all the relevant data is recorded and a full analysis report can be provided to the paying brand manager. This is of crucial importance these days as brand managers have to justify every penny or cent spent on advertising and promotion.



Static Hypertags

Static Hypertags are powered by mains or line voltage rather than batteries and are usually embedded in interactive poster displays or video screens. As can be seen in the picture on the left, consumers are shown the content that can be downloaded in the poster. In this example, consumers are told to “activate Infrared on their mobile or cell phone and point it at a red spot” on the poster where they will be able to download a ring tone.

Importantly, because the Hypertag is in a fixed location it can be connected back to a central content management system called a **Hyperhub** so that content can be updated or usage statistics uploaded for consolidation with data from other deployed Hypertags running the same campaign.

‘Backhaul’ connectivity between Hypertags and Hyperhub can be achieved via the Internet using a USB port or local Wi-Fi. If Hypertags are located where neither of these options are available, they can automatically connect to Hyperhub according to a programmed schedule using a GPRS data link. Interestingly, this is more than often the case, especially if the Hypertag is located outside.

Proximity Marketing Campaigns

According to Hypertag’s Commercial Director, Elaine Haines, Proximity Marketing is still seen as “a little bit edgy” by the big brands and is often not yet seen as a part of the “main stream”. This seems to be put Proximity Marketing into the same camp as other types of advertising on mobile or cell phones. According to Haines, many brands do have “champions” that understand the power of Proximity Marketing and see it as a “cool” method to really intimately interact with targeted consumer groups. It’s a no-brainer assumption that these groups tend to consist of the younger generation who seem to live their lives through their mobile or cell phones.

So even if Proximity Marketing is seen as the ‘new kid on the block’, Hypertag seems to have achieved real success in driving forward Proximity marketing campaigns as they claim to have run some 400 to date either themselves in the UK or through their channel partners around the world. Typical Hypertag campaigns are generally not based on simple advertising but based on creative ways to engage consumers through experiential marketing. The most successful Proximity marketing campaigns are those that focus on providing content at locations that is closely associated with consumers’ interests. Examples of events that can lead to real one-to-one interaction with consumer are:

Exhibitions: Individuals usually attend exhibitions because they are interested in the subject matter. Therefore campaigns run at exhibitions provide content that is, by definition, of interest

to attendees. One of the most active areas are the big automotive shows where all the car manufacturers are keen to get photographs or specifications into the hands of the attendees.

Music Festivals and concerts: Attending a musical festival in the middle of a wet field to listen to their favourite bands or groups is one of the favourite pastimes of the younger generation. Or they could be attending a fantastically expensive ticketed concert held at The O2 in London by one of the rock legends. Either way, every single attendee could be interested in downloading pictures, MP3 files or ring tones onto their mobile or cell phones. Campaigns based on wearable Hypertags can be particularly successful as such events as the wearer can directly interact with attendees gained through direct eye contact.



Museums, art galleries, gardens and visitor attractions: Visitors to such places are interested in receiving information about what they are viewing at any point in time. Visitors can be provided with background information of an item and maybe a little history to bring it alive. Moreover, visitors could download for free, or purchase, photos or other content related to the attraction that is of interest to them.

Bars, clubs and restaurants: Bars, clubs and restaurants provide ideal venues to run Proximity Marketing campaigns for the drinks industry that maybe include a voucher for a free drink or the ability to participate in a competition.

Shops, shopping malls and airports: Many such venues ban paper based advertising due to the mess that they can create so Proximity Marketing is a growing mechanism to interact with shoppers. Proximity Marketing Content servers can be placed near the entrance to tell shoppers about offers or special events. They can also be placed next to display screens and provide the ability for shoppers to download information about their favourite consumer product brands.

Taxis: Taxi passengers are a good target for mobile Proximity Marketing as they have the time available to interact with download offers from video screens within the taxi passenger compartment.



Typical downloaded content

Anything and everything can be downloaded from a Hypertag to a consumer's mobile phone as long as the phone is capable of running it, playing it or displaying it. One of the considerations that needs to be taken into account are **Digital Rights Management (DRM)** and copyright issues. This is a complex area but content owners need to clear about the consequences of consumers forwarding downloaded content onto friends and colleagues. Of course, this may be the very essence of a campaign in trying to create a mass viral

distribution of their content.

Examples of content downloaded in recent Hypertag campaigns are:

Ringtones and audio clips (MP3): Audio files can be downloaded for free or purchased including songs, jingles or podcasts.

Flash files: Product promotion animations or animated instructions.

Ringtones: Annoy fellow travellers or impress friends with ring tones of your choice.

Java Applications: Downloaded applications could include calculators, time managers, games, communications tools, Instant Messaging clients, social network applications, maps, widgets of all kinds, or other branded applications. The list is endless.

Vouchers and competitions: Very few of us can ignore an offer and one of the most popular forms of download is that of vouchers or competition entries to save money or win prizes on the spot.

Information and guides: In exhibitions it is possible to download information about a particular display. This could be in the form of text, voice or animations.

Video and animations, images and screensavers: The list of what could be downloaded is only “limited by your imagination” to use that old clichéd saying.

Reminders: These could be text based or an automatic insertion into a diary application.

In addition, the power of a Hypertag is that any combination of the above, with randomisation, serialisation and time-based changes of content on offer can be downloaded.

Running a Proximity Marketing Campaign

What steps are involved in running a Proximity Marketing campaign on behalf of a large brand owner or agency?

Content creation: The first step is to create the content that is to be downloaded. This is the world of the highly creative brands or agencies who try to find ways that will engage the consumer (and win them industry prizes). Clearly, there are limitations to what can be achieved due to the limitations of the mobile platform and the physical size of the content that can be downloaded. If a download takes too long the consumer will get bored and move on before the download can be completed.

Content formatting and personalisation: In the world of personal computers, it is relatively straightforward to create content that can be displayed on most of the computers as there are only a limited number of Internet browsers that can be used. However, even designing content to look the same on all leading PC browsers is a difficult enough task and achieving this on all mobile phones is virtually impossible. The reason for this is that nearly all mobile phones models are different in every possible way including, screen size, browser used, operating system and accessible features.

This was covered in previous posts such as [Mobile apps: Java just doesn't cut the mustard?](#) and [Content transcoding hits mobiles](#). Content files need to be formatted into multiple forms and when a consumer connects to the Hypertag, the Content Server has to decide what the model of the mobile phone is and download the appropriate form for that particular model or decline the download request if the phone is not capable of running the content. The management and

updating of a phone capability database or 'fingerprint' is a never-ending activity at Hypertag I would suspect. Things are helped in that Hypertag do obtain first-hand statistics of what mobile phones consumers are using to access content and this list provides early indications of what the latest fashions in phone usage actually are.

Delivery: In a deployed location, Hypertags continually interact with consumers' requests to download content. The process of content download is monitored on an end-to-end basis and statistics are collected for each transaction.

Reporting: It is usual that multiple Hypertags are used in a single campaign. Hypertag campaigns could be located at the same general location, or at multiple simultaneous locations, or could run on different dates. Either way, statistics from all Hypertags running the same campaign are assembled into a report after the close of the campaign and forwarded to the brand or agency to enable them to assess the success of the campaign and justify their spend.

Example campaigns

Here are three examples of campaigns that Hypertag have run in recent years.



Ford Motor Company, The Sydney Motor Show, Australia: The posters, as shown on the left, invited the consumer to interact with the Hypertag using their mobile phone and receive free content. Consumers could interact with the Hypertags by activating the infrared or Bluetooth on their mobile and pointing it at the Hypertag. Consumers who did this were able to download a range of content relevant to the type of car they were near; either the Ford Focus, Falcon, UTEs or SUV. Each Hypertag distributed content including videos, MP3's, wallpapers and images in a random order. Phones that could not receive this content instead received an electronic business card.

The reasons for using Hypertags were to raise awareness of the launch of Ford's new vehicles and provide a novel mechanic to allow people to download digital assets related to the Ford vehicles directly from the Ford stand. Ford benefited from 10,000+ interactions downloaded over 11 days from only four Hypertags.

Castle Lager, South African Test Matches: SAB Miller wanted to promote the Castle Lager brand at the cricket Test Matches in Durban and Cape Town by reinforcing visibility of their sponsorship of the events, rewarding brand choice and creating a dialogue with consumers. A team of promotional staff using ten wearable Hypertags invited consumers to interact with the Hypertag using their mobile phone. The promotion targeted attendees at two International Test Cricket matches.



In this particular campaign, consumers could randomly download a prize voucher, ringtone or wallpaper. Anyone interacting with the Hypertags had a 1 in 5 chance of receiving a prize voucher. The prizes were "One Run" - Free Beer, "Two Runs" - Key-ring bottle

openers and Lanyards, “Four Runs” – Carabina Key-rings and “Six Runs” - Castle Back Pack. Mobiles that could not receive this content instead received an electronic business card. Castle Lager benefited from 18,000+ interactions over 8 days from 10 Hypertags.



O2’s iPod Touch Nationwide Promotion: O2 launched the iPod Touch in December 2007 and was looking for ways to improve the sales of the handset and create a buzz around the launch. In order to do this, they approached Hypertag. In addition to driving sales of the iPod Touch, O2 was also keen to promote the brand amongst shoppers and build brand awareness. This was a particularly complex project for Hypertag, not only as the promotion took place in 50 O2 retail outlets nationwide, but also because the whole project was organised in 4 days! O2 got in touch on the Tuesday and the campaign was rolled out on the Saturday.

Based on O2’s brief, the content mechanic employed was a simple yet effective one: anyone interacting with the Hypertags was able to download a discount voucher entitling them to money off if they purchased an iPod Touch. The added advantage of using Hypertag’s wearable proximity marketing solutions is that consumers can interact and download content completely free of charge and without giving away any personal data - unlike other mobile marketing promotions where phone numbers and other data is collected.

Benefit inventory

There are a high number of potential benefits to brands and agencies using Proximity Marketing as a component to their campaigns. A few that come to mind are:

Power of a ‘moment in time and place’: Proximity Marketing could be considered to be one of the most powerful ways to directly engage consumers in brand related content activities. It is possible to interact with a community of like minded consumers that have come together at a particular location at the same time. This combination of location and ‘moment in time’ enable the creation of a campaign that is focused and highly engaging with an almost guaranteed high uptake percentage.

Desired interactivity: Campaigns include desired interaction with consumers and active opt-in by the consumer based on relevant and wanted content downloads. Few other traditional advertising mediums have this ability - how many video screens did you walk past in last few days without remembering what was showing?

Free of charge: One of the big benefits for the consumer is that it is possible to download content - regardless of the target file’s size - free of charge without suffering the possibility of an ensuing large download charge. Of course, content download can be paid for if that is appropriate.

Integrated analytics and reporting: In these tough times, brand managers and agencies who pay for campaigns need to justify every penny spent on promotion based on a forecast of uptake included in the business case. Unlike traditional advertising, the



use of Proximity Marketing can provide hard data relating to usage. Details of each download is recorded and if a campaign is executed using a number of Hypertags all this information is aggregated into a single report that is sent to the brand manager after the campaign finishes. Information can include a list of daily interactions, unique users, dates and times, mobile phone type used, voucher or prize report, utilisation and usage efficiency.

Roundup

Proximity Marketing is not an uncomplicated business! Delivering advanced Proximity Marketing campaigns requires the use of specialist Content Servers running a specialist application software connected to a communications hub to coordinate and monitor campaigns. Also, content creation and campaign result analysis requires a multiplicity of proprietary applications and we shouldn't forget the need to monitor what mobile phones are popular at any time and adapt campaign content to individual phones.

Proximity Marketing may still be considered to be at a relatively early stage of adoption by global brands and agencies but its future is undoubtedly bright. It has a clearly defined position in the world of promotion and campaigns that can provide benefits that are difficult to deliver using other traditional promotion techniques.

Perhaps, next time you see a poster or 'someone' asking you to turn on Bluetooth, take a look around and you may be pleasantly surprised!

Addendums:



Take a look at Hypertag's campaign work:



For an excellent overview of Hypertag take a look at ITNLocal's short video: [Cambridge firm at front of mobile revolution](#) (Click the link at the foot of the page)