

## Building customer intimacy in the mobile device world

Ken King, Director of Telco and Media Convergence at SAS, sat down with VOCEL CEO Carl Washburn at SAS® Global Forum to talk about the opportunity to integrate analytics into emerging mobile applications. VOCEL recently announced plans to integrate its patented VOCEL Interactive Messaging (VIM) gateway with SAS Digital Marketing. The combined offering will revolutionize the way that wireless operators reduce churn.

**Ken King:** Can you address the difference between indiscriminate and targeted messaging to mobile devices, and how customers respond to the two different types?

**Carl Washburn:** No one wants ads that they have limited or no interest in on their phone. On the other hand, there are types of information that you do want to come to your phone.

If you carry a Blackberry, you get e-mail messages. You want those messages because they're relevant, targeted to you, have some special interest in who you are, and require some kind of response. The question is: Can you take those targeted messaging attributes and recast them in a way that's interesting to use in digital content sales, targeted advertising or any other type of messaging between the carrier and brands, and its own subscribers?

If the carrier or the brand knew what your genre preferences were - who your favorite artists were - they could call up your phone and say, "Hey, there's a new hit single with Mariah Carey." Then, if you could listen to it or buy it with one click, that's an entirely different experience, especially if you have already given the brand permission to contact you in that way. It's extremely important to look at what works and what doesn't work with mobile messaging, and have a clear distinction between the two.

**Ken King:** You mentioned a couple of things there, the first of which is getting the user's permission. That sounds like something that would be very valuable to me if I'm only receiving content that I like. What are some of the other key attributes that you think that mobile content needs to have to be relevant to the customer?

**Carl Washburn:** Getting the user's permission is the first step. The second step is to have a compelling and interesting user experience. No one wants to get a text message that says, "There's a new Mariah Carey ring tone" and then expect you to find it. But, if there was a way you could click one key and listen to it, that's pretty interesting. Even if you don't buy the content, there's some value to that experience.

Let's take it to the next level. If there was a one-click button that lets you buy it right now and have it immediately available on your phone, that's pretty interesting. It all comes in understanding who the user is, and what types of targeted advertising or alerts the user wants to receive - giving you only what you find valuable.

**Ken King:** What about network delay? Although wireless broadband networks are getting faster, won't it still take a while to download content? How will that affect the user experience?

**Carl Washburn:** There are technologies available that eliminate all latencies. No one wants to wait while something buffers for a minute or two before getting to listen to it. VOCEL recently patented a technology we call VOCEL Interactive Messaging.

If you're familiar with traditional messaging models like SMS or MMS, it's like those, but it eliminates all latency and provides a scripted response model. That's where you get the ability to listen, preview and purchase with a single click; the content is already available on the handset. That's a great user experience.

**Ken King:** You get the user's permission first, and then provide a latency-free, one-click response. Let's talk about some of the applications that make that relevant. Can you give us an example?

**Carl Washburn:** I have an 11-year-old son who is being treated with prescription medication for ADD. One of the applications that we developed is called "The Pill Phone." It allows either the patient or a third-party care provider, like a parent, to go to a Web site or phone and set up the medication administration schedule for the user. So, I set his medication reminders and every day at 8 a.m. his phone rings. When he opens up the phone, there's a picture of his pill on the screen. He has to respond that he's taken it, or wants to skip the dose, or that he wants to "snooze." Again, that's another great example of this scripted response model. In addition to sending a multimedia message, we also script what we want the user experience to be. So, if my son says he's taken the pill, what's really interesting is that it sends the response off to a Web site where I can review that. If he misses a dose, 15 minutes later I get an alert on my phone or an e-mail telling me that he skipped a dose. But, the story gets even more interesting. This same information can be sent to a physician. And, it doesn't stop there. Analytics software can be used to look for patients who are not compliant and create a contact list. We can improve healthcare. It's not just a single technology piece, it's an entire ecosystem.

**Ken King:** I can still see some uses for "alerts" aggravating people. How do you avoid that?

**Carl Washburn:** You talked earlier about the example of getting the ring tone alert on your phone. Well, that's great you got that. But, what's important is that the person who sends you the alert understands what your genre preferences are. If you start receiving ring tones that don't match your genre preference, you'll become very frustrated with the alerting. But if the system seems to get "smarter" at sending you information that is useful, you see it as a value-added service. One of the things we do is use this messaging platform to gather demographic and behavioral information. When we used only demographic information, such as age and gender, the conversion rate averaged just 2 percent. When we added another question: "What kind of music do you like?" and offered only choices that fit that genre, the conversion rate jumped to 16 percent -- far higher than anyone expected. It really illustrates that having relevant information is valuable

**Ken King:** The story about your son reminds me of an application my son used when he was preparing for the SATs. It seemed like it was always hard for him to find time to study. We found a mobile phone application that presented him with sample questions and he would have to deliver the response back.

**Carl Washburn:** VOCEL holds a patent on that technology and we developed the application. It's called The Princeton Review Prep for the SAT. We quickly discovered that a lot of teenagers lacked the discipline to succeed in a self-directed study program. So, we developed this alerting function where you can go in and decide how many questions you want sent to your phone during the day. It can be one question a day, or five questions a day, and random times during the day based on the settings that the student sets on the phone. It rings just like you're getting a phone call. But when you open up the phone, there is a practice question. After you answer the question, you get a really helpful explanation of why it was correct or why it was incorrect; then, you close the phone and get back to what you're doing. By breaking a study regimen into bite-size pieces, it helps. We also have an option that allows parents to visit a Web site and review what their kids have done, look at the actual scores and see whether their kids have used the service.

**Ken King:** What other businesses can benefit from this technology?

**Carl Washburn:** We've taken this concept to several Fortune 100 companies who are figuring out the best way to get groups (such as their sales force) trained. They tell us, "We have these Web sites but nobody uses them. If we could alert the phone and send a question-of-the-day, then report product knowledge and competency by region, manager or product, it would be helpful."

**Ken King:** You've given an example for medicine, sales force training and high school education. What about the retail industry? What applications encourage consumers to buy more products from your retail customers?

**Carl Washburn:** With retail, the first thing is there has to be some level of "opt in." You can't just start sending people things they don't want. Next, you have to provide some level of customization. There has to be some personalization to filter content. The more the retailer learns about me and what I'm most likely to respond to, the more likely I am to receive a compelling message. Who wants to receive a text message offering 10 cents off a cheeseburger at McDonald's? But, perhaps if the offer was packaged with something – like a free ring tone, a little video snippet or a question that could lead to receiving a prize, that's interesting. That's entertainment and it's certainly welcomed. So again, we have the opportunity to create a new ecosystem behind understanding who the subscriber is, understanding what messages the subscriber will respond to, creating a compelling user experience and then learning about the subscriber through feedback. If you use the offer 24 hours later, let's send another alert asking for feedback. Were you satisfied or dissatisfied? Compare that manner of getting customer feedback to one of the other popular methods - hiring a telemarketer to call the home. I hang up on every one of those calls. But, if something came on my phone where I could respond with one click and literally take less than one second to respond, that's an entirely different proposition; it costs me very little personal time. In another context, let's say you've called your customer service operator with a question and they say, "Hey, you know what? We'd like to get your feedback. Would you stay on the line for two minutes to complete a survey?" I never hang on; I hang up. I want to get back to what I'm doing. But after I place the call, if my phone rings and right there I can answer a question about how well the operator did, I can answer with one click.

**Ken King:** With this technology, it sounds like companies can get much more timely, accurate and cost-effective feedback from the marketplace.

**Carl Washburn:** Absolutely. A lot of mobile operators say it's really expensive to acquire new customers, so they focus on the customers they have and provide them with a world-class experience. The best way of doing that is to look at each one of the touch points between the operator and the subscriber, and try to figure out how that interaction can be improved.

There are other touch points as well, such as rate plans. "How satisfied are you with your rate plan?" That's a good question for customers who are consistently going over their allotted minutes. "Would you like to upgrade?" This is a key opportunity to adjust the plan before the subscriber jumps to another carrier. If you wait until they jump, you know it will cost hundreds of dollars to try to get that customer, or a replacement customer, back.

**Ken King:** Tell me about integrating your technology with analytics?

**Carl Washburn:** VOCEL has worked with SAS to combine our world-class patented messaging capability with SAS' award-winning analytics. We're taking THE POWER TO KNOW<sup>®</sup> that SAS delivers and combining it with the power to act that VOCEL brings to the mobile device. This is the first fully integrated solution in a mobile platform. We take SAS Digital Marketing, create a digital campaign and send it out. You immediately see it come up on the phone and you can respond to survey questions, such as a customer satisfaction question on a customer care call, and that information immediately goes back to the campaign management solution. It's tremendously exciting to see the two products working together.