

Product/Service Review Reprint # 65-03

Mobile Pharma Marketing: What's the 411?

How to Use Mobile Marketing to Boost Your Response Rate and Marketing ROI

By John Mack

In the US, mobile advertising spending is expected to grow from US\$421 million in 2006 to US\$4.7 billion by 2011, while globally the market is expected to increase to US\$11.3 billion by the same year, according to eMarketer.

- Mobile text is the largest market, with 39.6% of US mobile subscribers using text messaging, according to M:Metrics. The research firm found that 7% of US subscribers have sent text messages in response to offline ads.
- Mobile Web is less established than text messaging, with 9.6% of mobile users saying they browse for news and information, but it has good engagement levels for early adopters.
- Mobile video remains a small market, with percentage of users still in the low single digits, but is attracting attention from a few innovative marketers.



Robert Flynn

Mobile Text Messaging

Robert Flynn, President of Pulse Media Response, a Connecticut company that specializes in mobile response-based advertising, believes that pharmaceutical marketers can increase their response rate by 1-5% using mobile marketing as another marketing channel.

Flynn is talking about using mobile devices—primarily cell phones—to reach consumers and allow them to respond to an ad via text messaging. This is the same technology that *American Idol* and *Dancing with the Stars* use to collect votes from viewers.

“Worldwide, 350 billion text messages, also known as SMS messages, are exchanged across mobile networks every month,” says Flynn. According to

the Yankee Group, about 15% of those are estimated to be commercial or marketing messages.

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SMS Messaging Statistics

- The global market for SMS messaging will be worth \$50 billion by 2010.
- Wireless users around the world will send 2.38 trillion text messages in 2010.
- In June of 2006, there were 12.5 billion text messages sent in the U.S., up 71% from 7.3 billion messages in June 2005.
- In the U.S., there were 64.8 billion SMS messages in the first six months of 2006, up 98.8% from 32.6 billion in first six months of 2005.
- Monthly use of text messages in response to ads was as high as 29% in Spain and was 7% in the U.S.
- In August 2006, based on a three month moving average, 73 million U.S. mobile subscribers, or 38% of all subscribers, sent at least one text message.
- According to the Yankee Group, worldwide there are over 350 Billion text messages exchanged monthly with over 15% being classified as commercial or marketing messages.

According to Forrester Research, mobile marketing adoption rates continue to increase, with 43% of U.S. marketers using, piloting, or expecting to pilot mobile marketing in the next 12 months.

Shortcodes: Ubiquitous as URLs?

Pharmaceutical advertisers commonly include Web site URLs and 800 numbers in TV and print ads to drive consumers and physicians to the Web or fulfillment center for more information. From there, the marketer can begin a dialog, collect information, and respond to specific requests.

Mobile text messaging allows immediate dialog and response to consumer requests. Flynn explains how this works: "Along with the URL and 800 number, advertisers can put our 'shortcode'—a five-digit number which is **78573** and a unique, ad-specific keyword, we call Pulsecodes—in the ad," says Flynn.

"This may be a print ad in a magazine that a patient is reading in a doctor's waiting room. Better yet," says Flynn, "would be adding our Pulsecode to patient education pamphlets." A typical notice might read "Text 'DRUG NAME' to 78573."

Immediate Response

The consumer texts a Pulsecode such as the product name to Pulse Media Response's shortcode, 78573. An immediate text message response, which depends on the goal of the ad campaign, is sent back to the patient.

The response can be a number of different things. "Essentially," says Flynn, "we begin to engage consumers in a dialog." The first response may be a marketing blurb followed by an option to select a number of different choices for receiving more information: the consumer can supply an e-mail address to receive e-mail assets such as a newsletter from the advertiser; or Pulse Media Response can collect a physical address so that an information packet can be sent by mail to the consumer.

"We can also respond with links to mobile-designed Websites that can be accessed by cell phones," says Flynn. "It's even possible to fax a free trial coupon to the doctor's office while the patient waits in the examination room."

A patient may not be inclined to call an 800 number in a waiting room where everyone in the room can hear the conversation, but it would be easy to send a private text message and engage in a conversation via the mobile device immediately or use the message as a bookmark to get back to later.

Where to Place Shortcodes

Shortcodes and Pulsecodes can be placed in any kind of ad, such as Web-based banner ads or TV ads, but the most effective placement may be in

ads where response by mobile device makes sense. For example, print ads in magazines are often seen by consumers on the move—commuting to work or in physician waiting rooms. Outdoor ads are also good candidates for inclusion of shortcodes.

Mobile Marketing for Customer Acquisition

Pulse Media Response offers two products—one aimed at new customer acquisition and the other for compliance and retention.

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Mobile Glossary

- **SMS:** Short Message Service. A wireless messaging service that involves the transmission of a short text message and its receipt by a wireless terminal. AKA 'a text message'.
- **MMS:** Multimedia Messaging Service. A wireless messaging service that involves non-text content such as images, audio, video, rich text.
- **IVR:** Interactive Voice Response. In marketing terms, a pre-recorded voice message delivered to a wireless terminal.
- **Shortcode:** Special telephone numbers designed for mobile marketing, shorter than full telephone numbers, which can be used to address SMS and MMS messages. Shortcodes are 5 or 6 digits in length.
- **Keyword:** The term (or SMS message) used to initiate participation in a mobile marketing interaction. Ex. Text 'win' to 12345, where 'win' is the keyword (and 12345 is the shortcode). Equivalent to "Pulsecode," a term used by Pulse Media Response.

--Canadian Marketing Blog

http://www.canadianmarketingblog.com/archives/2007/05/text_cma_to_701701_to_learn_mo.html

On the acquisition side, the preferred ad channels for mobile marketing would be print, radio, or television. "The real value on the acquisition side is that we are giving Pharma marketers one more channel to reach consumers and it just happens to be a channel that everyone has with them at all times," says Flynn. Mobile texting should give pharmaceutical marketers a 1-5% lift in the response to their advertising. Additionally, "Pulse-enabling" advertisements allow companies to measure the effectiveness of the ad. By using different Pulsecodes for each channel—print, broadcast, direct mail, outdoor—pharmaceutical companies are able to track which ads reach the most consumers.

Mobile Dialog for Compliance

"We see great opportunities for pharmaceutical companies using mobile technologies for patient compliance and retention," says Flynn.

Pulse Media Response is currently designing an application for compliance with blood pressure medication. "This is an example of how we envision mobile technology improving Pharma profitability," says Flynn. Patients can text BP numbers via the Pulse Media Response shortcode and the company will send back to them pre-approv-

ed lifestyle messages involving diet and exercise and motivational tips to help patients keep their BP down. Of course, these messages will also remind them to take their BP medication as prescribed by their doctors.

Will Mobile Work for Pharma?

The average age of a text user is 38 and every demographic uses text messaging (see Figure 1). This flies in the face of conventional wisdom that pharmaceuticals are for older people and texting is for younger people and never the twain shall meet!

Flynn estimates that marketers could see a 1% to 5% increase in ROI with a relatively nominal investment. He bases this on comparison of response rates with other channels. In mobile advertising, it's possible to get a 25-30% response rate compared to a 2-3% response rate for direct mail or 5% for e-mail. This high rate is due to the newness of the channel and the situation could be compared to the response rates when email first became popular. Although, Flynn feels the response rates will eventually drop, the convenience and consumer control of mobile messaging will continue to make it a very successful marketing response vehicle.

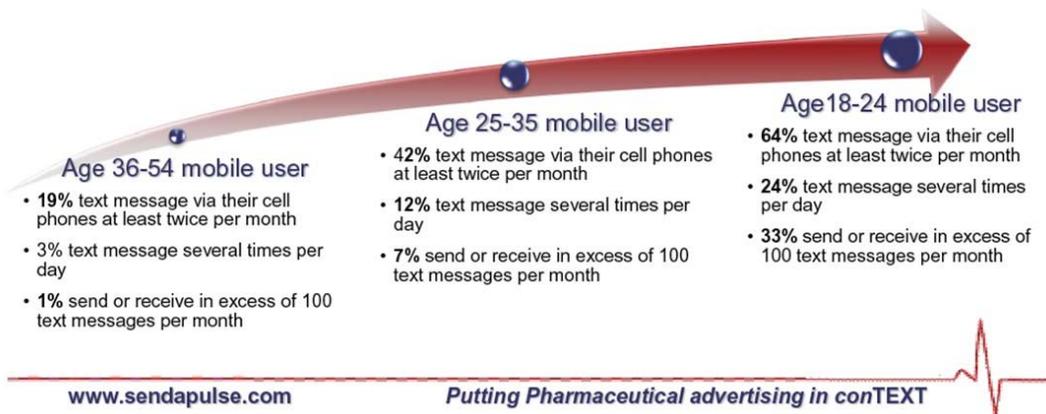
Continues...



- 800 numbers and URLs, while still relevant, are no longer the preferred communication methods for large segments of the population
 - In June of 2006, there were 12.5 billion text messages sent in the U.S., up 71% from 7.3 billion messages in June 2005.
 - In the US today, the average age of text messaging users is 38.

CTIA Wireless Quick Facts – 9/2006

Mobile Accord - <http://www.f10s.com/mobilemarketing.html>



www.sendapulse.com

Putting Pharmaceutical advertising in conTEXT

Figure 1: Comparison of text usage across age groups

What About Text Messaging Spam?

Spam cell phone messaging does exist, says Flynn, but spam inherently cannot be as big a problem in the mobile arena as it is in e-mail. That's because, unlike e-mail, which is an open technology that anyone can take advantage of to send bulk messages, mobile carriers have a very arduous process for distributing shortcodes. "The process takes months and the cost is high," says Flynn. "The carrier can easily pull the plug on anyone that misuses shortcodes."

Pulse Media Response has its own Best Practices, which are:

1. Pulse will never share any consumer identifiable information with a third party unless explicitly authorized to do so.

2. Pulse is a "response" company. We do not send proactive (unsolicited) advertisements to people's phones. All of our messages are sent in response to a consumer's request elicited by an advertisement or as a result of the person joining a compliance/ retention program.

3. Whenever a program is being joined, we adhere to the mobile industry's double opt-in guidelines.

"This is a new and exciting opportunity for pharmaceutical marketers," says Flynn. "We want to be sure that we do it right so that our clients receive the maximum return on their investment while preserving the trust of their customers."

Pharma Marketing News



Hear an interview with Robert Flynn on how to use mobile marketing to boost your response rate and marketing ROI. Listen in on the Web at the [Pharma Marketing Talk Channel Page](#).



Pulse Media Response enables Pharmaceutical companies to increase their advertising ROI and the adoption of their compliance and retention programs by adding mobile communication capabilities to their patient communications and advertising.

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