

A 3G primer for brands

3G will be a definitive game changer and brand managers need to start preparing now, writes Khurram Mahboob.

The 3G (and 4G) launch is perhaps one of the most talked-about events in some circles these days. The launch has been the subject of much discussion over the last few years, mainly because of the delay but the good news is, as conveyed in my last Aurora article on what to expect in 2014 (Samsung rules but will Nokia boom?), that the 3G experience will be commercially available to Pakistanis no later than early next quarter.

Who should be excited? Apart from the Pakistan Telecommunication Authority (PTA) and the government (for obvious reasons), it should be the early adopters, the telecom companies and marketers. However, in my opinion marketers are still unaware of the importance of 3G and what it will bring to their otherwise conventional marketing mix. It is therefore a matter of some urgency that marketers at least start thinking about how to include 3G marketing in their future planning.

3G will be a game changer for consumers who will get an altogether new experience because of the high data speeds. The epicentre of the consumer's world will be a single screen – i.e. the smartphone. While on the go, users will have access to mobile internet speeds of between 140+ kbps and two Mbps, enabling them to download a song in less than 10 seconds, enjoy peer to peer video calls, make complex financial transactions, enjoy a more holistic Facebook experience, seamlessly shop online and experience apps with mind boggling benefits that we can only imagine in this pre-3G era. Essentially, 3G will totally reshape the way in which we fulfil our information, entertainment, shopping and even security needs.

Enter 3G mobile marketing

The emergence of 3G mobile marketing will be the key touchpoint to capture target audiences when, where and how they want. However, as we all know the number of eyeballs is not the only consideration and 3G, as a new and potent communication channel, has the potential to deliver the following benefits:

- Rich, interactive, viral and valuable advertising content while establishing one-on-one communication.
- The ability to leverage video as an advertising medium that can be used for recorded and live video campaigns.
- Location-based offerings which don't require downloading and/or special software.
- Minimal investment and rapid ROI. On-device metering is a pioneering technology that will, for the first time, give advertisers, content developers and telecom players an insight into how the mobile consumer is evolving thereby enabling them to make informed marketing decisions.

The pillars of 3G mobile marketing

Three areas with great potential for mobile marketing opportunities will be the internet, video and entertainment.

- The internet, backed by high speed interactivity on HTML and flash-based applications will increase the usage of navigation apps and social networking sites. In this context, viral ads and SEO will become critical; brands may also want to look into sponsored URL marketing, whereby they can pay telecom companies so that all consumers (or a specific set of targeted consumers) can browse the brand's website without paying data charges.
- Video will take over passive text messaging both offline (video messaging) and online (video conferencing). A great idea for brands would be to sponsor a video conferencing service whereby a specific target market of consumers would watch short advertisements of the sponsoring brand on their phone before the video call, in exchange for a 50% discount.
- Lastly, entertainment, backed by TV streaming, interactive infomercials and games on a smartphone, will present prime advertising opportunities.

Market sizing for 3G

Television continues to dominate Pakistan's media landscape with 120 million viewers, a cable penetration of about 55% and a 63% of total annual ad spend; the big dilemma for marketers is the absence of a 'challenger' medium, as other conventional media fail to attract mass viewers. Although there are 125 million mobile connections, they have so far never been considered a serious promotional medium by advertisers due to the extremely limited promotional marketing interface (mainly SMS) and lack of consumer profiling. With 3G in the equation, this will change. Although all 125 million connections will not have a 3G-enabled smartphone, it is estimated that within the next 24 to 30 months, there will be more than 20 million 3G users in Pakistan – a critical mass of users who are also potential audiences for brands. This critical mass will be steered by five trends which are converging in Pakistan – 3G, social networking, video, VoIP and the availability of a wide selection of smartphones. Marketers will also need to keep the following trends in mind:

- Young people (over 50% of the population) will be early adopters of this technology.
- In emerging markets (similar to Pakistan) the growing population of smartphone users spends more time on entertainment and internet-based content than on voice calling and text messages. In a recent study on emerging markets Nielsen Informat Mobile Insights revealed that average smartphone users spend four hours a day using their phones with 72% of their time spent on activities such as gaming, entertainment, apps and internet related content. Only 28% of their time is used for voice calls and text messaging.
- 3G users use almost 50% more data than 2G users.
- An Android user installs an average of 19 apps in a month.

Reference: <http://aurora.dawn.com/2014/03/01/a-3g-primer-for-brands/>