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Marketing to the Mob

Dan Miller and his Movo Mobile technology shake up the marketing industry. By Bob Andelman



When the flash mob materialized last February outside the Adidas store in Las Vegas within 30 minutes of being summoned via mobile phones and PDAs, it was pretty clear that Movo Mobile's technology, headed up by Sarasota's tech entrepreneur Dan Miller, worked. And when—within minutes—those 200 people bought out every special-edition shoe developed exclusively for the event, it was equally obvious that Movo Mobile, a new acquisition for a Naples-based company called Neighborhood America, would one day make a lot of money.

Flash mobs have been around for a while. The term refers to the ability of Internet forums, bulletin boards, e-mails and mobile phones to stir up a crowd on short notice to stage some kind of unanticipated event—and then disappear just as quickly. Last year in San Francisco, some 300 people showed up at The Embarcadero to have a 5 p.m. pillow fight, just in time to entertain home-bound commuters stuck in rush hour traffic.

"We haven't seen them used for commercial purposes until now," says Gene Keenan, vice president of mobile strategy for Isobar,

the San Francisco-based advertising firm of record for Adidas.

In Vegas, Keenan saw it happen firsthand. The shoe manufacturer's program, tied into the NBA's 2007 All-Star Weekend, was a thing of beauty. Adidas spent more than \$1 million buying digital billboard space around the city and draping hotels with its billboards. The only call to action on its signage was for someone to open his or her cell phone and send a message to the Movo system. What they got for opting in were VIP invitations to NBA-related parties, invitations to exclusive autograph signings and electronic passes to the Adidas store for limited-edition shoe runs. Adidas used mobile marketing to promote its activities, day and night. The payoff? In-store Adidas sales in Vegas increased by 25 times the previous week's take.

"Adidas was extremely happy," says Keenan. "As a result, it's stepping up its mobile program significantly for the rest of 2007 and for all of '08."

Movo Mobile—whose prime product is a software application that advertising agencies use to launch marketing campaigns by cell phone—is a success story and a fast-moving one at that, having opened its doors in Sarasota in 2005 and been acquired in October 2006 by Naples-based Neighborhood America.

"These are campaigns whereby you would be prompted to take your cell phone out and participate in something," Miller explains. "A promotion, perhaps, or a text-to-win contest. It could be a coupon. The power of mobile is that the device that we all have with us all the time is an extension of mobile brands."

There is no spam in mobile marketing. Mobile advertisements, typically billboards or other large signs visible to drivers, create a requested one-to-one relationship with consumers who opt in and join a community. It's not a so-called "push" advertisement, which is the ability for the advertiser to "push" new, targeted marketing messages to opted-in subscribers; rather, it's an interaction with a brand, wherever you are, any time.

"Mobile advertising extends a company's relationships with its customers," says Miller.

"It brings real-time measurability to what has traditionally not been very measurable. Radio or TV advertising, billboard or print advertising is not measurable. The power of [mobile advertising, like Movo's] is once you've interacted with a campaign, you've opted in; you agreed to receive additional communications from that brand."

Miller, 47, a native of Cherry Hill, N.J., came to Florida six years ago. Before that, he, his wife, Nell, and two partners ran Software House in Boston, selling facility access control security systems to Fortune 500 and government customers. In 1994, they sold the company to Sensormatic

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in Boca Raton. Then Miller founded and was president of PlanetResume.com, a pioneer in online recruiting with offices in Boston, San Francisco, Charlotte and Washington, D.C. Within five years, he sold that company to CareerShop.com.

He spent 2000 as an angel investor working with entrepreneurs. One cold and snowy Boston morning he and his wife woke up and realized it was time to find a warmer climate: Sarasota.

Miller first attracted notice in town for his involvement in the founding of Startup Florida (www.startupflorida.com) in 2001

with Richard Swier and Jason Broom. Then he launched Movo Mobile, LLC. Currently, he is also involved in BizTank (www.biztank.com) and Pongo Software (www.pongosoftware.com).

Movo Mobile was already on the upswing when then-CEO Miller was invited to speak at tech evangelist Esther Dyson's March 2006 PC Forum conference in California. That's where he briefly met Kim Kobza, CEO of Neighborhood America. "Kim said his company was in Naples," Miller says, recalling the irony of two leading technologists from Southwest Florida having to go to California to be introduced to each other.

Neighborhood America was a company focused on Web 2.0 enterprise social networks. What's that, you ask?

MySpace, Facebook and YouTube are popular social networks that bring together mostly young users with similar interests or goals such as dating or hanging out. Their initial social success has been stretched into commercial applications; movies, TV shows and products of all types now launch with their own MySpace pages.

"People now have an expectation of being able to interact, both with their community and with each other, around your organization. That's a very powerful proposition," Miller says. "Companies are aware that MySpace has 150 million registered users. Fun and leisure social networks are popular because people can express themselves without restraint from anywhere else. People are innately drawn to communities."

Branded organizations—such as Adidas—are observing this social phenomenon and trying to figure it out in a way that leverages their brand assets rather than diluting them in an uncontrolled environment. They know, as a company, that people want to interact with them. The new model for enterprise is to engage their audience rather than solely rely on advertising.

Neighborhood America's approach is creating its own online social networks but with more narrowly defined business goals. Theirs are branded communities where the com-

munity and its participants are authenticated, the interactions are moderated, and the data is structured. It currently has nearly 4 million registered users.

"I saw Dan present to the whole PC Forum conference," Kobza says. "It was very clear to me that Movo was going to lead. Then I stood from a distance and watched Dan present to smaller groups of people. He had a steady crowd for four or five hours. I thought, 'What a great leader; what a great executive.' That was a company we wanted to work with, so I got his card."

Kobza and Miller didn't need much time to realize it wasn't just geography that their companies shared. Kobza was already interested in integrating a mobile situation into his company's community solutions. "A lot of companies were doing mobile," Kobza says. "What differentiated Movo was they were thinking interactive." Both of their technologies were obviously complementary, as were their visions.

In October 2006, rather than simply invest in Movo's next round of funding, Neighborhood America acquired the one-year-old company. Miller traded his CEO's hat for that of Neighborhood America's vice president of mobile solutions.

"The way it works," Kobza says, "is that their mobile platform works with our mobile communities that share a need to communicate and interact [with each other] very quickly. It's not something we did lightly. But it was compelling."

The combined company believes people want to interact with things they care about; the Adidas experience in Vegas was stunning proof of that concept. "Today, organizations from government and media to enterprise are trying to figure out how to interact with their constituencies. But they want to do it in ways that are safe and not dilutive to their brand. They don't want the risk," Miller says.

When thousands of people opt-in to receive marketing messages—whether via e-mail or by cell phone—there is no guesswork for the sales company about whether its marketing will reach interested parties.

"It's just like the principle of Google's

AdSense advertising: The people who interact are self-selected," Miller explains. "The marketing company creates an initiative that is powerful enough to get people to take their personal device out of their pockets and then act."

It's also a potentially powerful device for gaining instant feedback on what is—and isn't—working in a company's marketing campaign. Social enterprise networks engage and enable customers to provide insights that marketing surveys take far longer to deliver results on.

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You may have already opted into a Movo Mobile/Neighborhood America campaign and not realized it. The cable channel HGTV is a client, for example. When it wanted to generate new advertising-supported content on its Web site, it launched a community called "Rate My Space." Driven by TV ads, viewers registered online and created profiles. Then they shot photographs of rooms in their own homes and posted them, from a PC or cell phone, to the Web site for the HGTV community to rate. Each photo creates a new page with new advertising opportunities; each page view is another mar-

keting impression and potential product sale. "Rate My Space" launched in March. Within six weeks, HGTV had 20,000 new members engaged in more than 100,000 discussions and uploading 7,000 spaces for review, with an additional 10 million page views per month.

"It's hundreds of thousands of dollars a month in new revenue; far more than the cost of the new initiative," Miller says.

Media companies such as ABC, Fox and CBS are doing the exact same thing on the back of citizen journalism; they're creating advertising opportunities with Neighborhood America by allowing viewers to create homemade news videos submitted to the networks' news sites. Every page created by a viewer is another advertising space.

At CBS, Neighborhood America created a new community called "Springboard." In one application, student journalists competed to produce the highest-rated report on one of several assigned topics. The most successful student earned a summer internship at the network with CBS *Evening News* anchor Katie Couric.

So how will Miller's Neighborhood America know when it goes beyond being the next big thing and actually achieves its potential?

"I don't have a ready answer for that," Miller says. "Each individual organization will probably have its own way of measuring whether their community reached its potential based on their business goals for the community. What we're seeing is that more and more organizations are wrestling with whether they should build a community. Companies that don't deploy will be at a competitive disadvantage. At some point there will be critical mass; Gartner [one of the world's leading IT research companies] says that 80 percent of companies today have networks as part of their business strategy. I don't know when that will be. But it's moving pretty quick." ■

