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**((!))ZagMe.com**

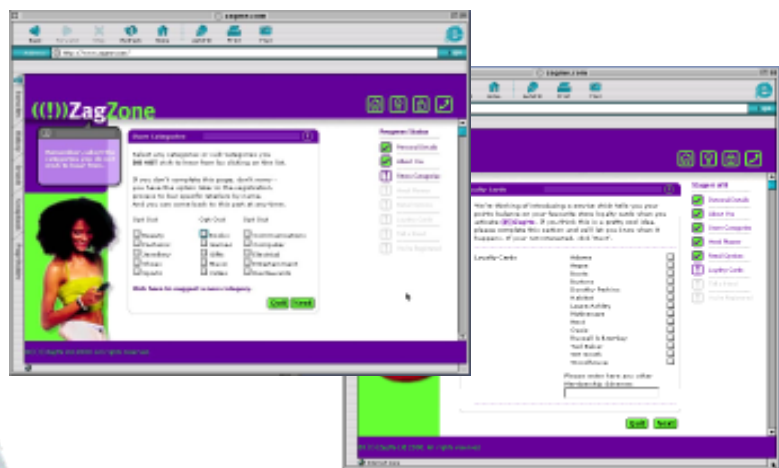
ZagMe CASE STUDY  
30th May, 2001

## ADEPTRA™ HELPS ZAGME CAPTURE SHOPPERS WITH LOCATION-BASED PROMOTION ALERTING

### Background:

ZagMe, the wireless content provider, is offering the ultimate in location-based, promotion alert marketing to mall shoppers in the United Kingdom. The Company is using an opt-in, location-based system with alerting technology from Adepra™ to send personalized marketing offers via text (SMS) message from retail outlets to consumers' mobile phones while they are shopping. The results have been excellent, with conversion rates as high as 20%, making it one of the most successful marketing campaigns of its kind.

ZagMe shopper alerting was launched at the two largest shopping centers in the UK - Lakeside in November 2000, and Bluewater in January 2001. The service is free with member registration, which occurs via SMS or on the web. Members need only provide their mobile phone number, or if they wish to opt for the more targeted service, they can enter a personal profile specifying the types of offers they wish to receive, their preferred stores, and the usual times they visit the shopping center. They can activate the service every time they shop and specify how many alerts they wish to receive. Top brands, special offers, gifts, cash and prizes have been promoted by 75% of retailers at the two shopping centers, including; Top Shop, Pizza Hut, Reebok, Lush and All Sports.



Retailers provide ZagMe with a designated number of store promotions on a regular schedule, which are logged into a database and "broadcast" using the Adepra solution at the appropriate times, to the appropriate audience of shoppers. The offers are targeted demographically, split by age and gender, are time-specific, and location-sensitive. Promotions aim to drive consumers into nearby shops with special offers that expire after a certain period, increasing their appeal to people who are close to a retail outlet and more likely to act on impulse.



### **Alerting Challenge:**

ZagMe needed a scalable alerting service that could deliver:

- Personalized, large volumes of text-based (SMS) alerts to mobile phones.
- A cross-network solution, because users use multiple mobile phone networks.
- A simple interface for managing bulk alert delivery.
- Time-sensitive delivery, since users arrive at the malls at all times.
- Reporting mechanisms to measure effectiveness of the alerts.
- Both voice and text alerts to a variety of wireless devices, since ZagMe plans to offer voice messaging in the near future.
- Interactivity, allowing shoppers to reserve a product, redeem an offer, or even complete the purchase on their way to the store.

### **The Adepra Solution:**

Adepra's highly scalable, reliable AlertXchange™ infrastructure allows ZagMe to deliver the ultimate in just-in-time, personalized, permission-based marketing. Member profiles are matched with available retailer offers and uploaded for timeslot (or immediate) delivery. The data is converted to SMS by Adepra's AlertXchange, formatted and routed to each cellular network's particular delivery requirements and delivered to the shoppers' mobile devices while they are shopping. Crucially Adepra's unique "two-way" alerting capability allows subscribers to respond to the offers at the time of receipt, driving immediate sales, or enabling them to "hold it for me" for a set time period.

### **Results:** □

- The alerts are creating huge excitement among consumers and increasing retailer traffic and sales. For example, Reebok ran a promotion offering free sports shoes to the first person to get to the store with the ZagMe message. In four minutes, more than 50 people had sprinted through the door shouting "ZagMe"! A Reebok spokesperson says, "The fit with the ZagMe audience and the brand is perfect as they're precisely the target market and age group that we want to reach."
- ZagMe has experienced response rates as high as 20% across a broad age range of users.
- Average transaction values vary by retail sector, ranging from \$15 to \$73.
- Currently in only two U.K. malls, ZagMe's subscriber base is growing exponentially by more than 3,000 members each week. There are now 65,000 members, a dramatic increase from the initial 2,000 last November.
- ZagMe is discussing expansion to other shopping centers in the U.K. before looking towards expanding aggressively in Europe.
- Some members have opted to receive alerts at all times, effectively using ZagMe to seek out the best retail offers as they happen.
- ZagMe is already planning its next step — proximity-based alerting. In this generation, a permission-based watch list provided by shoppers will be used to deliver the alerts based on users' current proximity to the mall or store.

### **Customer Comments:**

*"Retailers have reacted favorably and if they're using the medium intelligently, achieving great results. Consumers are coming back, and they're acting on offers."*

Russell Buckley, Director of Marketing, ZagMe