MARKETING WITH RING-BACK TONES
WHITEPAPER

MARCH 1, 2010

Contributors:

The following companies provided contribution to this whitepaper:

This White Paper has been created by members of the Mobile Marketing Association and intended to provide insight into a new emerging area of focus. It should not be considered MMA policy nor is there a guarantee that any ideas contained here will be included in future MMA Guidelines, Best Practices and Standards.
INTRODUCTION

Since the invention of the telephone, an alert or ‘ring-back’ tone has been played to the calling party when calls are placed. This continues while the caller waits for the call to be answered. The typical sound of a ring-back tone is a staccato or steady tone, letting the caller know that the call is being connected.

During this time the caller is typically alert and silent waiting for the call to be answered. In fact, it is arguably one of the few times in our modern and hectic lives when we provide our undivided attention to one task.

A ring-back tone (“RBT”) is idle time with a captive audience (the inbound caller), and since the early 2000’s has been repurposed by many mobile operators for music and other kinds of audio entertainment content. With personalized ring-back tone service, the called party (or “B-party”) can purchase music to play for the caller (the “A Party”). These services sometimes carry a monthly fee for the mobile subscriber; content is purchased as individual ringback songs or bundled with ringtones and other media.

Marketing and advertising messages can also distributed through RBT and the first several of these “Ad-RBT” services launched in 2008 in North America, Europe, and Asia.

With over 3 billion mobile phones in use worldwide, Ad-RBT represents one of the most compelling and scalable new media platforms in recent history. However, the very qualities that make mobile phones attractive to advertisers also make it critical that Ad-RBT platforms are developed and managed properly so that all mobile subscribers who experience Ad-RBT have positive, rewarding experiences.

MARKET SIZE AND GROWTH TRENDS

In 2009, Nielsen mobile estimated that an average US mobile subscriber receives about 4 calls per day, which places the total inbound call volume of 3 billion global mobile subscribers at approximately 12 billion inbound calls per day, a figure that has remained more or less steady for the past few years.

Based on the total inbound call volume, the global opportunity for Ad-RBT is immense. For example, if just twelve million mobile subscribers used their RBT to advertise a favorite product or organization, ring-back advertising would be delivering approximately 48m paid advertisements per day, slightly higher than Google’s pay-per-click search advertising transactions per day on the web.¹

Furthermore, Ad-RBT is a mobile experience that is always shared between users, and so it has the potential to expand virally if Ad-RBT content is engaging, interesting, funny, or relates to brands or causes that people are passionate about.

It is therefore important that ad content be brief and efficient, or exciting and playful, or practical and need-specific to increase consumer acceptance and interaction, and to reduce churn rate.

**RINGBACK OPPORTUNITY PER DAY**

**GLOBAL OPPORTUNITY**
Approx. 3 BILLION SUBSCRIBERS
12 BILLION CALLS PER DAY

**NORTH AMERICA & EUROPE**
Approx. 600,000,000 SUBSCRIBERS
2.4 BILLION CALLS PER DAY

**AFRICA**
395m Subscribers

**NORTH AMERICA:**
Approx. 300m Subscribers
1.2 BILLION CALLS PER DAY

**WEB SEARCHES PER DAY**

**US:**
383m Web Searches Per Day

**GOOGLE - US:**
242m Searches Per Day
45m Paid Click-Throughs

Nelson Media reports that as of Q2 2008, approximately 10% mobile subscribers between ages 18-45 make at least 364 4 phone calls per month, or approximately 4 RBTs per day.

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**BENEFITS OF MARKETING WITH RING-BACK TONES (RBTS)**

Marketing with RBT, commonly known as “Ad-RBT”, offers several key benefits to marketers as a mobile marketing solution:

- **Ad-RBT does not require special handsets or 3G data service:** Ad-RBT can be offered to 100% of mobile users, where the Mobile Operator of the called party supports the service. RBT ads can be heard by any caller, both mobile and fixed, local or international, at home or roaming abroad.

- **Ad-RBT reaches a highly attentive audience:** Due to the fact callers are waiting for the other party to answer while being exposed to a ring-back tone, they are attentive to the advertising message.

- The RBT is the only “unused time” during the making and receiving of calls functionality of the phone that is suitable for advertising.
• **Immediate Metrics**: Ad-RBT platforms can provide real and accurate data on the level of exposure of a particular campaign or audio clip. For example, Ad-RBT platforms can provide the exact number of exposures on a daily basis including response rates relating to different segments.

• **RBT does not interrupt native phone behavior**: RBT plays during normal use of the phone, placing and receiving calls. Once users choose to participate with Ad-RBT, there is no new behavior undertaken by the user or their callers. An average user between 18-45 years old receives 4 or more calls per day and therefore can support the distribution of 120 or more ads per month.²

• **Ad-RBT supports response mechanism**: Callers who are interested in learning more about an advertising message heard over Ad-RBT can use their phone to request more information through a call-back, by an SMS message delivered after the call, and more.

• **Measurement and Statistics**: Due to the very nature of the technical implementation of ring-back tones call set up, messages for each and every call pass through the Ad-RBT platform. Detailed reports can be generated of which messages were played, when, and for how long.

• **Targeting**: Inherent in the fundamentals of telephony is that a determination can be made from the phone number of the geographic region and other general information about the subscriber. This data may be utilized in a responsible manner to further improve the relevance and effectiveness of Ad-RBT campaigns.

**SUBSCRIBER CONTROLS**

Any time an advertising message is delivered over the mobile network, privacy and control is important. Please reference the MMA’s Code of Conduct for additional details. This is even more important with Ad-RBT since the advertisements are often being delivered prior to private phone calls between friends, family members, or business associates. Ad-RBT programs should follow these suggestions:

• At least one of the two parties on the call should opt-in for Ad-RBT service and have prior knowledge that an advertising message will play as part of their calling experience.

• During the period when Ad-RBT is being introduced in respective markets a method should be used to identify Ad-RBT to the calling party as part of the call flow.

Examples include:

- a background ring-back tone audible during the ad, or with
- a pre-roll announcement identifying the message as part of the call flow
- a regular ring tone just before the ad is initiated.

- Both parties should have the ability to listen to the types and examples of the advertisements that will be played on the Ad-RBT either by accessing a web site or by calling a phone number.
- The subscriber opting into the Ad-RBT service must have the option to stop the service at any time
- To increase user adoption of the Ad-RBT service, end-users who join the service should have the ability to select contacts who will not hear the Ad-RBT when calling by assigning them to an opt-out list, to hear a personalized music RBT or the legacy ring-back tone.

**DURATION**

The duration of the typical ring-back tone is 30 seconds, depending on the configuration of the operator systems, voicemail, and RBT platform. However, the first five (5) and next (7) seconds of the advertising message are the most important portion of the message respectively, and this portion of the message is most likely to be heard by inbound callers.

The actual duration of each RBT transmission depends on the time between the call placement, the start of the Ad-RBT content, and the connection of the call. Therefore, advertising messages should be customized for RBT: recorded for a full 30 seconds, but arranged so that the most important information is at the beginning of the message.
**AD-COPY**

The end-user experience of Ad-RBT marketing is a very important aspect and has to be taken into careful consideration during ad-copy compilation. To avoid initial confusion, ads should have a clear introduction to ensure the user that the initiated call is still in progress. One way to ensure this is superimpose the ad over the regular ring back tone/to start the ad with a regular ring tone. Volume levels and content control is also a very important aspect of ad-compilation to reduce churn rate.

**ADVERTISER SETTLEMENTS**

Ideally, RBT advertising is based on advertisers paying for the amount of exposure that they receive for their advertisement, and possibly paying an additional amount for added engagement, such as a longer length of play, a response from the caller, etc. Solutions for Ad-RBT should provide clear metrics for run-time and caller responses so that the Advertiser is charged an accurate amount and so that the platform delivers the highest possible efficiency for the Advertiser’s budget.

**USER COMPENSATION**

Users should be compensated for assigning advertising messages as their ring-back tones. Compensation can be done in various ways, such as receiving free minutes, free SMSs, free ring-back tones, donation to charity, downloadable application or WAP based benefit programs, etc. The compensation can be tied to the amount of times the message is played, with a cap on the maximum minutes a user can earn in a specific time frame (daily, weekly, or monthly), or tied to the general use of the service, such as a flat monthly rebate to all users who opt-in for the service. Length-of-play and validation processes should also be used, so that if the ad isn't played then the user is not compensated.

**FREQUENCY**

Some advertisers prefer to have their ads heard as often as possible, but most callers will be annoyed if the same ads are heard repeatedly. Ad-RBT should be configurable to play specific clips once per any given number of calls or to rotate content in some way so that inbound callers hear a fresh ad each time they place a call. **Frequency controls** and **clip rotation** features are critical to provide a good experience for both the advertiser and the listener. At least one of these methods should be employed to control the frequency of playback for Ad-RBT content:
• **Shuffle Frequency**
  The Ad-RBT platform refreshes the user playlists several times per day so that different ads are played during different times (i.e., morning, mid-day, afternoon, evening, and overnight rotations.)

• **Clip Rotation**
  The ‘radio station play’ feature available for some Music RBT platforms can be used to queue several different ads to a single user playlist, and then shuffle the ads on each inbound call.

• **Frequency Capping with Caller ID**
  Using the caller ID function, Ad-RBT platforms can cap the amount of time a certain ad is played for a certain caller. The maximal amount of plays for a certain ad to a certain user should be configurable by the operator. The advertiser can select the amount of times within this given range when defining and booking the Ad-RBT campaign. *This requires access to the CallerID functionality and may not be available on all platforms and networks.*

• **Ad-RBT Roadblock**
  From time to time advertisers may wish to purchase a roadblock. This can be defined as a single Ad-RBT played to all callers for a fixed period of time. This might be used for a specific brand building exercise. This functionality should be made available on the platform.

• **Story line**
  It is often desirable for a mini story to be built up within an advertising campaign. A storyline solution supports a grouped set of Ad-RBTs to be played in a particular order to an individual calling subscriber over a period of time.

**PURCHASE MODELS**

While many variations of business models may eventually exist for Ad-RBT, following are some typical methods for how Ad-RBT is priced by service providers and purchased by Advertisers:

• **Cost Per Transmission (CPT or CPL)**
  The Advertiser pays an amount for each time their advertising message is played to an inbound caller, with a threshold of 5 seconds before the charge is valid.

• **Cost Per Action (CPA)**
  The advertiser pays an amount for each time a response is registered by the calling party, such as a request for more information or a request for a callback.
• **Subscription Pricing**
  If the mobile operator controls the selection and targeting of the ads, the Advertiser may pay an amount for each participant in the Ad-RBT program.

• **Network Pricing (CPM)**
  If the mobile operator controls the selection and targeting of ads, advertisers may pay a CPM rate based on projected transmissions and the total size of the network where the campaign is deployed.

**CAMPAIGN SETUP**

Advertisers should be able to set-up and manage their campaigns using a web-based interface or by working directly with the service provider or a booking agency.

Campaign set-up should include:

• Ability to upload and manage audio content
• Budget management
• Third-party auditing of audio content for quality / content standards
• Scheduling (Time-of-day, Day-of-week)
• Targeting:
  o Specific demographic groups
  o Location
  o User behavior / history (Previous types of messages selected)
  o Edit/Pause campaigns

**METRICS**

For each campaign, metrics should be available to provide feedback to the advertiser on campaign performance.

**AD-RBT CONSIDERATIONS**

While Ad-RBT provides some great benefits, there are several ways in which Ad-RBT can be a negative experience for mobile users if Ad-RBT applications are designed poorly.

• **Call Delay**
  Ensure that the implementation of the Ad-RBT does not delay the call connections
• **Call Interruptions**
  Ensure that any user response to the Ad-RBT does not re-route the call away from the intended caller.

• **Inaudible Sound**
  Home recordings, excessive background music or noise, or poor level controls can make an ad inaudible and cause confusion or annoyance for inbound callers. The audio compression codecs used for RBT can make these problems worse, so it’s critical to start out with clean, audible ads and to test the ads on mobile phones, prior to and after deployment, for sound quality.

• **Consumer confusion**
  When initiating Ad RBT in a new market, possible confusion needs to be taken into account and a method should be used to identify Ad-RBT as part of the call flow, either with a background ring-back tone audible during the ad, or a regular ring tone prior to the ad initiation, or a pre-roll announcement identifying the message as part of the call flow

• **Consumer acceptance**
  It is important that advertising content should be entertaining and compelling to increase consumer acceptance and interaction and to reduce the overall churn rate and negative impressions of Ad-RBT.

• **Content Ordering**
  Repurposing audio ads made for other mediums, such as radio spots, may result in ads that fail to deliver key information in the right order to communicate the marketer’s message.

• **Age Appropriate Content**
  The age and maturity of the inbound caller is never predefined with Ad-RBT, so advertising messages that are inappropriate for young callers should be restricted from Ad-RBT platforms. Depending on the region, overnight (23.00h – 05.00h) time slots may be used for mature ads, depending on local laws and restrictions. General MMA Guidelines for content should also be considered.

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**ADHERING TO THE CODE OF CONDUCT**

The MMA recommends that all mobile marketing and advertising programs comply with the applicable MMA Guidelines, including, but not limited to the Global Code of Conduct, U.S. Consumer Best Practices Guidelines and the Global Mobile Advertising Guidelines.