



SERVICES
HUNGARY

Member of T-Systems

Press release

BUDAPEST
2014. szeptember 17.

T-Systems and ITSH present

Mobile marketing advertising service – Central Europe premiere

The T-Systems development launching in Hungary provides location based, spam-free messages with “here and now” relevance that raise the communication between consumers and advertisers to a totally new level. In Hungary, the technical background to this breakthrough solution is supplied by IT Services Hungary (ITSH), the country’s largest ICT employer.

“Is your café/restaurant frequently empty between 3-5 pm? Entice guests in with a tempting offer exactly at that time!”

“Do you have products that are approaching their sell by date? Tell everybody in the area that you are selling them off with a 30 percent discount!”

“Can’t fit the new collection in because of the old one? Send offers on your sale even to those people who just rush through the plaza and don’t even notice the posters in the shop window!”

“Have you got a brand-new item in stock that you would like to tell potential buyers about? Reach them directly with the help of a localized mobile marketing solution!”

Speaking at a press conference in Budapest, experts from T-Systems and its Hungary affiliate, IT Services Hungary, used these and similar examples to illustrate those sorts of common challenges that from now on the *Location Based Mobile Marketing* (LBMM) system offers a cost-effective and innovative solution to in Hungary as well.

Advertising professionals have long known that text messages sent to mobile phones can represent one of the most efficient – and yet, until now unexploited – marketing communication opportunities. However, for a long time the optimal utilization of this solution has been hampered by the so-called spam factor. The fact that 98percent of marketing SMSs are opened by users, compared to 20percent of commercially oriented e-mail, 29percent of tweets and 12percent of Facebook posts, is not in itself of value. Reading of the sent message and above all else the meaningful utilization of the content of the message from a commercial aspect failed the test of relevance: the majority of users did not take advantage of the offer... Until now!

László Posset, manager responsible for the T-Systems mobile marketing developments, speaking at the Budapest press conference arranged to mark the launch of the LBMM system in Hungary, said:

“We have no hesitation in calling LBMM – on the same lines as smart phones and smart metering – smart marketing for the mobile phone precisely because it offers a solution to the challenge of relevance. In point of fact, doubly so: in space and in time. Using LBMM, only those messages reach the target audience that are relevant then and there for the addressee. And this is true the other way around: we only despatch messages to those people who are in a defined place at a defined time. There is no wastage. Only those receive the SMS providing entitlement to a discount who are there at the time that this discount can be used, while the advertiser does not have to pay a single Euro cent on marketing messages that hit outside the target audience. On top of this, through measurements and feedback the system can be ‘taught’, that is, it can be fine tuned and made constantly more effective.”

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The basis of the functioning of the mobile marketing system is the so-called *geofencing* solution, which senses if the client (who has previously given his/her authorization for this) arrives in the area of the promotion. The system is able to signal beforehand the movement of *subscribers* not merely tied to a specific event taking place within a virtual space, but also on the basis of so-called predictive modelling. (The essence of this big data solution is that certain consumer groups are associated with defined periods and venues, and this makes it possible to predict the expected movements of members of this group.)

Csaba Bóthe, Managing Director of IT Services Hungary, the company adapting the LBMM system for Hungary, said at the press briefing announcing the premiere of the service:

"In order to dispel any misunderstandings, it is not possible to overemphasize that the mobile marketing service is in no way whatsoever built on tracking and the system is completely spam-free: every single contact is 100percent based on the free will of the subscriber and represents his/her interests in its benefits."

During the press conference it was noted that due to the enhanced, "here and now" relevance of the offer arriving by SMS the consumer response proportion to mobile advertising messages may be up to five times greater than in the case of traditional marketing solutions. What is more, there is a better chance of so-called opt-in subscribers activating the offer by SMS also becoming buyers of specific products and services than from an audience addressed by traditional mobile solutions.

Mrs Katalin Szalontai Vig, head of the wholesale directorate at Magyar Telekom, said in relation to the presentation of the results of the program 'Make me an offer': marketing communication solutions of the future rest on big data and their analyses and utilization with business intelligence. In the case of mobile advertisements, the necessary architecture, know-how and database are provided by the Deutsche Telekom Group between T-Systems, ITSH and Magyar Telekom.

"Today, opt-in has more than 105,000 subscribers and this number is rapidly increasing! Looking through the list of advantages offered to advertisers it is easy to see why. The pioneering and innovative sales channel of mobile marketing in Hungary not only increases the circle of customers but it can increase their loyalty. Not to speak of the fact that the widespread utilization of mobile advertisements is expected to make market players more aware, smarter, and gives a competitive edge to those using innovative solutions."

Further information:

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