

· **Features**

ADOTAS Conversations: Fred Ghahramani, Co-Founder, AirG

by Kiran Aditham

October 31st 2006



**Kiran Aditham
Managing Editor**

Kiran Aditham is the Managing Editor at ADOTAS. A Business Management grad from the University of Central Florida, Aditham earned his stripes as a freelance writer in music/arts publishing before joining the editorial team in February of 2005.

While we're traversing the mobile marketing landscape on this auspicious day that is Halloween, ADOTAS decided to gain insight from a company that not only embodies mobile marketing, but instills a social networking model within wireless devices.

Vancouver-based AirG, a firm founded by techies Fred Ghahramani, Vincent Yen and Bryce Pasechnik, houses a mobile community of more than 10 million unique users worldwide, and is intertwined with over 85 mobile operators and media companies globally including Sprint Nextel, Cingular, Rogers, TELUS, Virgin Mobile, Orange, Vodafone and MTV Asia.

As the talk of the town veers towards mobile content, including video of course, AirG is integrating and weaving its own web of community-driven campaigns and interactive initiatives, proving social networking thrives well beyond the mighty macrocosm of MySpace.

Recently, ADOTAS sat down for a chat with Ghahramani to not only discuss the usual background and business model issues, but AirG's recent involvement with one of its more hip wireless clients, Boost Mobile, and the latter company's marketing push for West Coast Customs. While skepticism towards mobile marketing is still prevalent, the West Coast Customs campaign shows mobile's potential to breach a huge demographic without the usual overreliance on the Web.

Hi Fred. Can you give me a little company history and background?

Air G is a six-year old business, started in early 2000 and powering social networks on mobile phones. Initially, the products were very simple, very basic, putting tens of thousands of people together to chat on mobile phones via text messaging.

Now, as the platforms have evolved, the products are very attractive and very close to what you can do on a PC—chat, instant message, blog, share profile photos all on your mobile phone. Our customers have conventionally been the telephone companies, so we've been licensing our systems to the cell phone carriers. They've been selling these products to end users, and increasing phone bills. We've getting a piece of it.

Through that long, laborious process, we built out a global business with over 100 employees. It's private and profitable, based out of Vancouver, Canada with operations in Europe and Asia and sells in over 30 countries.

What's now happening is that social networking on mobile phones is becoming a mass market phenomena and it's hit a tipping point. It took us five years to build up a customer base of 5 million users, and then it took us eight months to go from 5 million to 10 million users. What's driving that is the fact that even the simplest mobile phones out there—even the cheapest ones that come with a contract where you don't have to put any money up front—come with color screens, camera features, and have a processor that lets you basically see the mobile phone as a new platform to deliver large applications. The key application we think is the social networking phenomenon.

So what are the advertising implications?

The second stage of our business model is to recognize that we have this business platform where you have over 10 million customers on mobile phones, interacting with each other with the average usage being over 59 minutes per day—meaning where the user is glued to their phone. That tabulates over 5-minute snippets here and there.

So, what this really means is you have actually another opportunity as an advertiser to stay in touch with consumers, to interact with consumers and really build a relationship with consumers in a very intimate setting, which is on their mobile phones.

So there are two ways that this is going to market when it comes to advertising. First is to advertise in the existing networks that we have available globally, really to take advantage of that five minutes at a time that I spend on my phone to check in with friends, and sneak in ten-second clips here or there, be it video, pictures, or coupons. It's a topic-sensitive, highly targeted message that can be really focused based on people's age, sex and demographic information, location, phone type, network, etc. So, just that business alone is a really exciting and powerful business because you can target market specifically on a myriad of specific demographic inputs.

Because it's your mobile phone and because it's social networking, people are sharing this information with each other so that they can meet like-minded people. In terms of the growth of our business in that regard, we work with agencies and various partners who sell advertising into our system.

Who are some of your advertising partners?

Already, we've received advertising from companies like Schick, Verizon DSL, Dunkin' Donuts, etc., who are basically reaching out to consumers that are already active on their phones. They're building out an interactive opportunity with users there.

What's the secondary ad model like?

What's actually more exciting to us is to build a mobile community around a specific brand, and actually build a relationship with consumers on their phones.

For example, in Asia, we work with MTV, and MTV has a mobile community service where users that watch MTV can text in and get this product on their phones, and lets them stay in touch with other users who are into MTV-branded products. What's really happening there to the consumer is the consumer is joining a community and interacting with like-minded people, and MTV gets a secondary communication vehicle to promote upcoming events, news, releases, etc. So, MTV gets to build a relationship with consumers around their brands, similar to an online social network in their specific brand.

Recently, Coke announced they were doing a social network online through a website. But really, we see a bigger growth opportunity in this part of the business, which is to say to brand holders and media companies, "hey, there is actually an opportunity do this not just online, but through mobile phones." And the benefits that you have on a mobile phones as a platform is that consumers have it all the time, with ubiquitous access to the platform, you can bill to people's phone bills, and it's more of a personal setting as opposed to online, which is really busy and full of ads.

The carriers were the first to realize this, because we built a lot of mobile communities around their brands.

So tell me about the new Boost network campaign for “Hookt”. What role do you guys play?

You know West Coast Customs, right? Basically, what the user sees, should you be exposed to this via radio, MySpace or mobile on the Boost Network, that if you use the social networking product called “Hookt” [through] January 15th, you are entered in to win a pimped out Dodge Charger that’s fully customized by them. It’s got the Hookt veneer, it’s lowered, and it’s fully macked out.

So behind-the-scenes, there are really two campaigns here that are happening. One is West Coast Customs is putting their expertise into the product and basically reaching out to the same demographic of people they’re really trying to target anyways, which really resonates with that people that are on Boost—the 18-30 [demographic]. It’s a national campaign as well, a multi-platform campaign that reaches out to the people who get the West Coast Customs brand message and value proposition through the radio campaign, the MySpace interactive and obviously through all their wireless properties as well.

But the focus [from our perspective] is use the mobile product to be entered to win. That’s kind of the Z part there. Of course, then there’s Boost doing the campaign, spending the money, and the value they’re getting out of it is using the social networking tool, and then differentiating the services they offer to acquire customers.

The idea is you’re going to hear a radio ad that says, ‘join Hookt between now and January 15th’...I text the word “ride” to 46658, and if you do that on another network, you’re not going to be able to participate in this campaign. So the value to Boost is they use this as a differentiating tool to get customers in the door and really highlight what’s different on Boost, and social networking is front and center—that’s all that huge lifestyle product push on the Boost network only. Of course, the value to the advertiser, West Coast [Customs], is they actually get to piggyback on that campaign, but also reach out to customers in a multi-platform with radio, online and now, wireless.

What significant results have you seen thus far from your perspective?

The interesting thing here is in the first 24 hours through the wireless medium, we had 29,000 entries, so we’ll see how it shapes up over the next three months, and see which platform actually drives more customers. The radio campaign starts in November, so it should be interesting to see what the impact of that is. I guess the key story here is that social networking on phones, it seems esoteric, but here’s an actual network doing a national campaign, putting this front and center. And here’s an albeit niche, but still focused advertiser that sees the value in this customer base, doing a multi-platform push and really piggyback social networking and try to do this in a new way.

How did AirG get involved?

The way that it came about, we’re proactively going out and selling opportunities like this. So, we’re basically sitting down and brainstorming what brand-holder really resonates with these customers, which we know on Boost are all prepaid users. They’re predominantly in urban centers, listen to urban music, watch MTV. Some of the other profiling things we’ve done is we know that 59% don’t own a PC, but they’re going to spend over \$80 a month on their phone bill. So, we know that they have disposable income.

We’re also noticing that what’s unique about West Coast is it’s not like every single person who’s using this product or signs up to this will walk into West Coast Customs and spend \$40,000 on modifying their Lamborghini. A big part of their messaging is to go about this aspirational group of people—it’s like a cult following that they have. Ninety-nine percent of people watching Pimp My Ride will never pimp their ride. That 1% who do spend the money, if you get that pure recognition, it’s actually valuable.

As an engineer, my assessment of the value proposition to these guys is that they need to build out this brand and get this identity out there—they’re urban, they’re street, they keep it real, they know how to modify cars and they can basically give you your identity in your car. It’s an interesting little campaign, and obviously, there are going to be more of these coming up by us, but it’s the first one that really focuses on one network, one specific advertiser, and multiplies their benefits.

<http://www.adotas.com/2006/10/adotas-conversations-fred-ghahramani-co-founder-airg/1/>