



Premium SMS Campaigns

1. Overview:

This document covers the explanation of a premium sms campaign, the costs involved and revenue structures with this type of messaging in South Africa.

Mobile Internet Gateway “MIG” has the right to Premium Rate SMS Short Codes from all 3 of the South African Mobile Networks that can be configured to our client specifications.

MIG issues these Short Codes to each of our premium clients that wish to setup a campaign. These short codes (eg. 36500) greatly enhance the benefit of premium SMS for consumers because the short 5-digit codes are easy to remember and are common across all three networks. The applications of this is limitless, as any single brand of our clients can benefit from the use of competitions/ campaigns.

MIG has the facility to host the servers and run the total campaign for our clients. Full audit trails of every transaction are available. Using MIG’s RemoteSMS software package, (**Please see our white paper document on RemoteSMS**) our clients can manage the entire campaign themselves.

2. Utilising Premium SMS services:

Competitions/Premium campaigns are a unique way to inform customers of new products, promote products, generate interest in them or push sales.

Premium competitions have the following uses:

- Develop a competition to inform customers and showcase a product
- Provide consumers the opportunity to be among the first to try new product
- Create a positive consumer association with a brand by offering tangible rewards in a competition
- Establish a customer database using our Database manager program.
- Profiling of entrants compared to registered user base
- Simple to set up and easy to incorporate into print and media campaigns

Competitions significantly enhance customer loyalty, brand recognition, interaction with your company and can be used to gather valuable market and customer preference information. A premium SMS competition/campaign is simple to understand. The consumer simply SMSs a given number (e.g. 37030) to enter a competition, or campaign that he/she wants. They are then charged anything between R1 and R30 depending on the price of the premium sms, which is then

charged to their cell phone account direct by the mobile networks. Through a series of steps, the client hosting the competition receives a revenue share (via a JV with MIG) of all premium SMS's received.

The table below explains some of the applications that can be used with regards to premium SMS campaigns /competitions.

<u>Application</u>	<u>Description</u>
Voting	Viewers participate in their favorite program through SMS voting. Notable programs include reality TV shows, news programs and favorite radio songs.
SMS and Win	Subscribers enter competitions by sending a message or keyword to a Premium number and receive a confirmation in return.
Polls and Surveys	Participants respond to polls, and results are tallied either in real time or after the poll is completed.
Product Information	Encouraged by an ad or information on the product itself, participants send a text message to a premium number to receive more information.

3. Number Ranges:

MIG offer the following number ranges

A. Dedicated shortcodes:

- This is a dedicated 5 digit shortcode chosen by the client
- Each of MIG's registered numbers are related to a specific price:
i.e. 33100-9 is a R1.50 number
34100-9 is a R2.00,
35100-9 is a R3.00,
36500-9 is a R5.00,
37030-9 is a R7.50, and
greater bands on request..

Clients may not choose another number as these numbers are registered MIG shortcodes with the networks.

- Each shortcode is the same across all 3 networks MTN , Vodacom and Cell C

B. Shared shortcodes: keyword service

- This is a shortcode (same as above) that is shared between different clients.
- The only thing that separates the incoming messaging from different clients, is the keyword that differs with the different clients.

4. Applicable South African Networks:

We support all 3 three South African operators-**Vodacom, MTN, and Cell C.**

5. Revenue Share received back from Networks:

The revenue share refers to the premium rated numbers allocated by the networks. Each network has made premium rated numbers available at various prices. These prices correspond to the charge that will be levied to the mobile users service provider account.

The revenue paid by the network to the WASP (Wireless Application Service Provider ..In this case MIG) varies between these price bands, and is also determined by the volume of traffic generated.

The revenue share paid back by the Networks to the WASPs differ per network as well as differing on the volumes generated.

MIG will pass on the Majority Share (as negotiated between MIG and their Client) of the revenue received back from the Networks.

In most cases, MIG will charge a setup fee depending on the complexity of the campaign and reporting / response mechanisms.

Please note: a minimum monthly volume of 500 response messages per network will be required before MIG will pass on revenue to the client. Revenue will be paid to our clients after 90 days, provided that the networks have paid MIG.

The figures from the network operators will prevail above the figures presented by MIG-this is a standard arrangement in all PR agreements with SA operators.

For most campaigns , the Mobile Networks require a minimum of 2000 message responses per number. Should a number not have at least 2000 incoming messages per month-they will terminate the premium rate account. Any messages sent in reply to MO messages will be charged at our standard MT rates.

For further information on Premium SMS Campaigns, please contact us.

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