

**2009 North American Mobile Advertising
Product Innovation Award****Zavers**

Frost & Sullivan presents the 2009 Award for Product Innovation in Mobile Advertising to Zave Networks (www.zavenetworks.com) for its innovative Zavers Intelligent Digital Incentive Platform. The Zavers' solution empowers brands and agencies to offer multi-channel digital incentives to consumers and lets them track (and manage) the performance of their marketing initiatives in real-time. Frost & Sullivan expects Zave Networks to become a leader in the digital (and mobile) advertising markets due to the extremely compelling nature of its offering, benefits delivered to all stakeholders, and its strategic roadmap.

Mobile Advertising and Marketing – Key Industry Challenges

Mobile advertising can leverage messaging, mobile Internet, mobile video, downloadable applications or the mobile search channels. However, driving customer engagement and measuring campaign-performance continue to be the biggest challenges for the mobile advertising industry. Solution providers have struggled to help brands and agencies understand the effectiveness of their mobile advertising campaigns (in terms of their ability to achieve the campaign objectives). In other words, there is still an open loop between the impression of an ad and its ability to drive sales as a result – which is the ultimate objective for most mobile advertising initiatives. This problem can be addressed to an extent in digital sales, but there is still a wide gap between resolving the missing link between the impression of a digital (and mobile) offer and the effectiveness of driving the sale of the product at the retail store. Mobile coupons can help address this issue to an extent in mobile advertising; however, there is still room for improving the redemption process and making it a 'smooth' customer experience. Additionally, brands and agencies are very careful with their advertising spends in the present economic conditions which makes it even more important for them to be able to measure the performance of different advertising channels. There is a clear need for solutions that can help connect brands and advertisers with their customers in an efficient manner across the online and the mobile channels.

Zavers – Intelligent Digital Incentive Platform*Offer Creation*

Zavers' offers an end-to-end Intelligent Digital Incentive Platform that links online and mobile incentive placement with in-store redemption. The solution allows brands and agencies to create digital incentives such as coupons, complex promotions,

loyalty and rewards program which can then be placed anywhere digitally – for example online through online advertising, within email, within text-messaging, within mobile banner ads, within mobile applications such as Navigation apps, and going forward, within interactive TV as well. All this is done via an intuitive self-serve interface that is extremely easy to use and allows brands and agencies to define parameters of their campaigns such as geography, products and budget limits.

Offer Discovery

Consumers can discover the digital incentives (created by brands and agencies) via various online and mobile channels – including WAP, SMS, and rich client applications. They can then save the offers of interest into their Zavers' account via a single click. All offers are saved into a single consumer 'wallet' regardless of the channel of discovery. This wallet is then accessible to consumers via online, mobile Internet or the Zavers iPhone application channels.

Offer Redemption

Consumers can use their existing retailer loyalty card (or any other identification method used by the retailer) to redeem offers stored in their centralized account. At the point of purchase, Zavers' platform verifies consumer eligibility and processes savings automatically. The coupon is instantaneously removed from the consumers' Zavers account upon redemption, which prevents repeat usage. Consumers do not have to do anything extra to redeem their coupons – Zavers leverages the existing loyalty cards and POS systems for offer redemption. The solution also has an evolution path to realize the promise of future payment and redemption technologies including Near Field Communication, 2D Barcode/QR code, and others.

At the retailer level, it is extremely easy to integrate with Zavers' solution. Retailers can simply load Zavers' software at the enterprise server level which then gets pushed out to the stores. Retailers don't need to develop point of sale software or purchase any additional hardware which helps drive the adoption by significantly shortens the deployment cycles and reducing the resources needed for implementation.

Mobile Advertising and Strategic Impact of Zavers' Solution

Frost & Sullivan firmly believes that Zavers' Intelligent Digital Incentive Platform can be a catalyst for mobile advertising adoption and growth. For example, brands and agencies can use the solution to embed offers within advertising that they might already be purchasing for the mobile channel. This can help them take their mobile advertising initiatives to the 'next' level by driving customer interaction and ultimately, in-store purchases. The ability to measure from the consumer's initial exposure to an offer (or ad) through to purchase of the product is a game changer that greatly enhances manufacturers and advertisers understanding of the effectiveness of their marketing activity and is perfectly timed for today's economic and digital media realities. The solution can also provide measurement to brands

and agencies across their marketing mix - including purchase channel and location, time from exposure to purchase, effectiveness of different ad -creatives, effectiveness of different media or sites, elasticity of different incentive amounts, and others. Brands and agencies can also optimize their campaigns in real time to generate the maximum ROI. Zavers leverages the existing loyalty card mechanisms for redemption and does not require any changes in the consumer or retailer's behavior at the point of sale. We believe the consumer's experience with digital promotions will be one of the key drivers of adoption, and we are impressed by how easy Zavers has made it for consumers to save offers from across digital media and redeem them at the point of sale. All these advantages can make mobile advertising extremely attractive to the 'buy' side and can dramatically stimulate adoption of mobile as a marketing channel.

Conclusions

Zave Networks has successfully identified the key requirements of the mobile advertising value chain participants – brands and agencies, retailers and consumers - and has introduced an innovative and user-friendly platform to address the key market challenges. Frost & Sullivan believes that Zave Networks' is the deserving recipient of the 2009 Award for Product Innovation in Mobile Advertising for its innovative Zavers Intelligent Digital Incentive Platform, and commends the company for its visionary approach and strong execution capabilities.

Award Description

The Frost & Sullivan Award for Product Innovation is presented each year to the company that has demonstrated excellence in new products and technologies within its industry. The recipient company has shown innovation by launching a broad line of emerging products and technologies.

Research Methodology

To choose a recipient of this Award, the analyst team tracks all new product launches, R&D spending, products in development, and new product features and modifications. This is accomplished through interviews with the market participants and extensive secondary and technology research. All new product launches and new products in development in each company are compared and evaluated based on degree of innovation and customer satisfaction. Companies are then ranked by number of new product launches and new products in development.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used to determine final competitor rankings in this industry. The recipient of this Award has excelled based on one or more of the following criteria:

- Significance of new product(s) in its industry
- Competitive advantage of new product(s) in its industry
- Product innovation in terms of unique or revolutionary technology
- Product acceptance in the marketplace
- New product value-added services provided to customers
- Number of competitors with similar product(s)

About Best Practices

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

About Frost & Sullivan

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