TELEFÓNICA SOLVES THE ATTENTION ECONOMY CHALLENGE WITH SMART NOTIFICATIONS

- Based on technology developed by Telefónica, the solution applies artificial intelligence to marketing to help brands to send notifications to users at the most appropriate moment
- The solution is offered both directly by Telefónica and in partnership with Swrve

Madrid, February 9th 2018.- Telefónica has launched Smart Notifications, an Artificial Intelligence/Machine Learning solution for mobile applications to optimize the delivery of notifications to users. The solution increases engagement with push campaigns by automatically selecting the best moment during the day to send notifications when users are most receptive to brand interactions. When used alongside the Swrve interaction engine, this now represents the most complete and sophisticated push notification platform on the market.

This is the first product developed by Telefónica to solve the problems created by the "Attention Economy". In a world that is increasingly digitally connected, the channels in which we receive information are becoming ubiquitous in our day-to-day lives. Smartphone users find it progressively more difficult to concentrate, with the constant buzz from our devices generating stress and anxiety. In fact, more than 50% of users feel smartphone notifications are distracting, compelling them to disable notifications and delete apps at significant rates. In turn, this is costing tens of billions of dollars globally in sunk customer acquisition and customer retention costs.

To address this challenge, Telefónica has developed a new proprietary patented technology called Smart Notifications to determine when users are most receptive to brand interactions. Smart Notifications uses Artificial Intelligence and Machine Learning to predict moments when users are available and 'open for engagement', thus bringing marketers closer to their audiences than previously possible. Smart Notifications allows brands and app owners to contact users only when they are free and to avoid moments when users are busy. This reduces user stress and anxiety, alleviates the feeling of being overwhelmed by notifications, and most importantly, increases brand trust and fosters brand relationships. Telefónica case studies reveal that users are 30-40% more likely to interact with apps and 40% less likely to disable notifications.

This is all achieved without compromising user's data. All predictions are completed on the smartphone based on sensor data; no personal information or sensitive data is collected or kept by the servers. The Smart Notifications AI was developed as part of a Telefónica's in-house data science research program in Barcelona. This research, that won an award for best paper at UBICOM 2015, resulted in an algorithm which can detect human boredom by looking at a person's mobile activity, considering factors like the time since they last had a call or text, the time of day, and how intensely they are using the phone.

Smart Notifications is available for developers through an SDK Kit that can be downloaded by app developers at https://smartnotifications.tid.es/.

Telefónica has also reached an agreement to offer this solution in partnership with Swrve, one of the world's leading interaction engines, providing a platform that includes the ability to design and deliver push notifications to highly targeted audiences.

Smart Notifications alongside Swrve is an all-in-one unique solution, and the only platform that provides the capability to customize and optimize notifications, use real time machine learning engine to find the best moment to deliver those messages, and thus increase open and click rates. The solution targets organizations across multiple verticals including retail, fashion, e-commerce, gaming, social media and entertainment industries, and can improve app engagement rates, click through and conversion rates of promotional offers.

David del Val, Director of Product Innovation at Telefónica explained: "In a context of no attention economy, brands need to become more relevant to capture the attention of its customers, and customers are hoping to receive less useless interruptions. Smart Notifications solves both issues by helping brands contact their customers at the right time, when the message is welcomed."

"We're delighted to be working alongside Telefónica to bring the most sophisticated push notification solution to market", commented Swrve CEO Christopher Dean. "By using Smart Notifications alongside the full sophistication of Swrve's interaction engine, new levels of engagement, loyalty and revenue are possible for enterprise organizations"

About Telefónica
Telefónica is one of the largest telecommunications companies in the world by market capitalization and number of customers with a comprehensive offering and quality of connectivity that is delivered over world class fixed, mobile and broadband networks. As a growing company, it prides itself on providing a differential experience based on both its corporate values and a public position that defends customer interests.

The company has a significant presence in 17 countries and 344 million accesses around the world. Telefónica has a strong presence in Spain, Europe and Latin America, where the company focuses an important part of its growth strategy.

Telefónica is a 100% listed company, with more than 1.5 million direct shareholders. Its shares are traded on the Spanish Stock Market and on those in London, New York, Lima, and Buenos Aires.

About Swrve

Processing over 12 billion events daily, Swrve's next generation customer interaction platform helps enterprises maximize engagement and monetization by empowering marketers to deliver bespoke mobile experiences to every customer. Swrve provides a comprehensive set of tools that include audience targeting, real-time segmentation, conversations, push notifications, in-app messaging, A/B testing, predictive models, real-time data orchestration, and rich analytics across all marketing channels. Swrve partners with leading brands, agencies and technology partners -- including The Guardian, Condé Nast, Warner Brothers, Salesforce, Oracle, and Marketo -- and is installed in hundreds of apps across industries, such as retail, media, travel/hospitality, entertainment, sports, games, and banking.

Contact Swrve on sales@swrve.com, or visit us at Mobile World Congress, Hall 8.1, booth E 67.