



# Overcoming mobile advertising ecosystem hurdles

By Scott Cotter

The mobile advertising ecosystem is still evolving. In 2008, the Kelsey Group reported just \$160 million in U.S. mobile advertising revenue. By comparison, Internet advertising was \$28 billion (Interactive Advertising Bureau estimates), newspaper was \$35 billion (Newspaper Association of America estimates) and television was \$47 billion (Television Bureau data).

Contrast the amount of time we spend with our mobile phones compared to a personal computer, TV or newspaper and it is easy to see the potential upside.

A number of hurdles holding back successful off-portal mobile marketing campaigns must be addressed for consumers to partake and advertisers to increase spend on mobile as an effective advertising and marketing medium.

## Lackluster media

Many consumers are still waiting for a better mobile Web experience. If the media is not satisfying consumers, why advertise on that platform?

As an industry, would we use billboards on abandoned roads or place ads in magazines with no readers?

When trying to access their favorite URL, consumers often find the site can freeze a phone browser or important features such as login, completing a transaction or accessing video content.

A full, rich experience is now possible for any Web site a consumer should choose.

Content transformation solutions being deployed by carrier networks automatically adapt content to the specific capabilities of the device. Hence, consumers enjoy a better mobile experience and usage increases, which in turn means more eyeballs for much longer durations.

## Ineffective targeting and tracking

Targeting is typically limited to carrier network, phone type and perhaps basic site categorization such as sports and finance. So much more valuable information is available including user account profile data, location and mobile clickstream behavior.

Central tracking of consumer behavior and campaign metrics across mobile's broad array of devices and networks is critically important for success.

For example, the popularity of social networking sites has created a wealth of information around consumer behavior and media sharing. Contextual advertising created by mining this data enables personally relevant ads to be delivered in the right place and time.

The result? Click-through rates that are typically five to 10 times higher than online.

## Constrained creative

Mobile ad formats are limited relative to other media. Rich interaction is often not possible and the offer/payoff is difficult to deliver consistently across the myriad of different devices. Advertisers are forced to pursue a "least common denominator" approach.

By building upon platforms that enable creatives to use Flash and multimedia, develop interesting formats including pop-ups, interstitials, load time messages and even sponsored widgets across any handset, advertising becomes more appealing. This, in turn, creates better recall and or click-through rates.



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Further, rich landing pages, click-to-call, mobile coupons and secure transactions are possible, enabling more compelling direct response tactics and tracking components.

Simple yet effective, the Zippo virtual lighter application has become a viral advertisement that people use at concerts to signify the appreciation of a performance.

More importantly, the immersive experience is highly nostalgic and personally relevant for a new generation of Zippo consumers.

## Immature business model

The mobile advertising ecosystem is still evolving. Wireless carriers' models for monetizing both on- and especially off-portal are not yet clear.

Also, tracking and analytics expectations and capabilities between site publishers, advertisers and ad networks often vary. And everyone is trying to capture their piece of the pie.

Just as mobility has changed social paradigms, mobile as a media channel must tap into these new usage models while leveraging the best of existing advertising media channels.

Minutes for ads, viral word of mouth and always-on access to sponsored information present interesting opportunities.

The industry will develop new campaign strategies that take advantage of mobile Internet services being deployed today that enable quality service, effective targeting and tracking and rich media to realize the channel's full potential.

The mobile channel presents low production costs, higher-than-average click-through rates, targeted demographics and an always-on, always-with-you medium – a marketer's dream. ■

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