

COLUMNS

## Driving factors behind mobile advertising growth

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By **KF Lai**

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Mobile advertising first made its emergence in 2000. Since then, we have seen rapid growth as the technology continually evolves.

We first started measuring ad impressions in 2007 and in the first quarter of that year, we delivered 340 million ads. That seemed like a lot at the time.

However, as the consumer population became ever more infatuated with mobile, so has advertising increased. Our network served 23.2 billion ads in the first quarter of 2011.

In fact, several of our top markets experience more ad clicks in a single month today than our entire market did back in 2007.

Evidence of this growing demand can be seen across the world.

Adds up

Recent figures in Britain from the Interactive Advertising Bureau showed that 2010 was a phenomenal year for growth as the market grew by 116 percent to \$132 million.

Whilst in South Africa, mobile advertising revenues stood at \$73 million in 2010, with Google forecasting it will grow to \$145 million.

There are many reasons behind the growth of mobile advertising.

The growing volume of traffic comes from the falling cost of Internet access as wireless carriers compete in a price war.

Carriers from Mumbai to Manhattan are positioning bundles of handset-plus-data package and promoting them as “Designed for Facebook” or “Twitter enabled” to take advantage of the growth of social media platforms and other mobile Web services.

Another factor is the reliability of service with the roll-out of 3G and 4G, allowing networks to transfer large amounts of data at high speed.

Carriers usually engage in heavy promotion of these new technologies, leading to fast adoption by new users and increased data consumption for existing clients.

Alongside this, we have seen cheaper handsets with better usability that have flooded markets in Asia and Africa over the past 18 months.

Whilst a positive increase in ads served is occurring in markets throughout the world, we have seen particular acceleration in the Indian market.

With a 44 percent increase in first-quarter growth, it is also our largest market by number of ads served, currently averaging more than 2.5 billion ads per month.

Other countries on an equivalent growth path include Mexico, Nigeria, Saudi Arabia, South Korea and Vietnam.

Political events have also affected the growth of mobile as the civil war in Libya has stifled the Internet, while the success of Egypt's Tahrir Square demonstrations is helping spawn the creation of more mobile content.

### Making the sale

Globally, brands and advertisers have woken up to the significance of the mobile medium and are now looking to actively engage with audiences via this direct route.

Perhaps the largest opportunity lies with mobile commerce, with our recent research stating that 53 percent of respondents had made a purchase via mail, phone or Internet.

Including digital content – distributed via an app store or portal – the number of respondents who had transacted jumped to 82 percent.

For many retailers, shoppers and advertisers, the technology is not as far away as it may seem.

In May, Google and MasterCard, to name a few, announced that a mobile commerce service will begin in U.S. cities this summer.

Alongside this, carriers in Britain have joined forces to create a mobile commerce system that will make the technology a reality for many.

With the increasing evidence that mobile marketing is here to stay, it is time for hesitant

businesses to adapt their strategies and consider mobile.

Mobile is a great opportunity and those businesses that understand the technology look set to reap the rewards.

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