

COLUMNS

What marketers really want from mobile advertising

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Earlier this year, eMarketer published research stating that only one-third of marketers ran mobile ad campaigns in 2010, going up to 50 percent in 2011. However, most are running mobile ads sporadically or do not tie them to a larger marketing campaign.

Similarly, a recent survey conducted by The Relevancy Group revealed the challenges and priorities for marketers when it comes to mobile advertising. It found that 68 percent of marketers allocate only between 1 percent and 20 percent of their marketing budget to mobile ads.

The data above indicates that while the mobile ad industry is on the rise, marketers are only dipping their toes in the mobile pool.

The why of ROI

The rapid adoption of smartphones is also outpacing the mobile advertising industry. So what will make marketers spend more on mobile ads?

The answer is simple: ROI.

According to the Relevancy Group survey, 43 percent of marketers who are not increasing

mobile ad spending cite low ROI from mobile campaigns as the biggest deterrent. And 93 percent say that if they could see higher ROI from mobile ads, they would increase spending.

One way that marketers can see higher ROI from mobile advertising is to look beyond the click.

The Relevancy Group survey found that 56 percent of respondents are dissatisfied with or do not use click-based advertising. It also revealed that 41 percent of marketers say that the most effective form of mobile ads are those where they pay only for signups – as opposed to clicks or impressions.

There is an inherent problem with putting emphasis on clicks in mobile marketing.

A December 2010 Harris Interactive survey found that half of smartphone users in the United States said they click on mobile ads by accident more often than they do on purpose.

The implication of this finding is huge. It points to the fact that almost half of mobile advertising dollars are wasted.

Jobs well done

Additionally, the late Steve Jobs said it best at the 2010 Apple iOS conference, “People don’t click on mobile app ads because it yanks them outside the app.”

Mobile advertising models that will deliver real results are the ones that keep people inside mobile apps. They are also ones that do not rely on clicks, but instead deliver ROI to marketers.

On the other hand, signups are the email addresses and social networking handles of people who have intentionally raised their hands and said, “Tell me more!” to a marketer.

The mobile ad industry is growing, but given the rapid consumer adoption of smartphones, it can grow even faster. By deemphasizing the click and moving towards pricing models that deliver ROI, the mobile ad industry can grow rapidly as well.

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