

COLUMNS

This is the year of mobile advertising

April 3, 2012



By [Justin Barr](#)

[Sign up now](#)

[Luxury Daily](#)

Whether a small business, nonprofit organization or big brand, mobile advertising has proved to be a rapidly growing and effective medium for any business.

This personal medium has taken flight already and is only expected to grow even more in the coming years as mobile proves to be a medium capable of driving brand awareness and affinity, as well as purchases.

In fact, according to eMarketer's updated analysis, United States mobile ad spend is expected to reach \$2.61 billion in 2012 – adjusted from a previous estimate of \$1.8 billion. The newly adjusted projection for ad spend in 2012 in the U.S. is an 80 percent increase over last year's actual ad spend.

As consumers continue to adopt everything mobile, mobile devices are quickly becoming the preferred way to surf the Web, read books, stream music, watch videos and shop online. Brands are finally beginning to recognize the opportunity that mobile advertising presents to them for targeting their demographics.

This is the year of mobile advertising. Below are some of the reasons why the time for mobile is now.

Demand for mobile advertising is increasing

Although traditional mediums might be struggling to keep advertisers' budgets in their pockets, mobile advertising has already taken off stealing big spends from other forms of advertising.

Mobile has proven to be an efficient and effective way for brands to reach their target demographics. There are a few main factors driving this change.

First, there are more mobile media buyers entering the market to compete with their competitors and purchase volumes are increasing.

In addition, there are many companies who have tested mobile advertising in its early stage and are now focusing on executing mobile focused campaigns that equate to higher ROI as well as more user engagement.

Explosion in app development and monetization

With the recent explosion of mobile, the demand for mobile application development is significantly growing as the volume of smartphone and tablet devices sold increases.

Developers are jumping into creating mobile applications to feed the demand of the market, while also monetizing their applications by serving ads or charging per download.

With developers acting quickly to fill this demand by developing apps for iOS, Android, Windows and Blackberry platforms, mobile inventory is becoming more available and affordable.

In 2010 there was a shortage of mobile inventory due to the lack of smartphone users and no demand. In 2010 the app market only pulled in \$1.7 billion.

However, a new report by Forrester Research suggests that the app market will explode to a \$38 billion industry by 2015.

Location-based advertising

Mobile-focused location-based services are bigger and more popular than ever.

Advertisers are beginning to discover the effectiveness and practicality of local and hyperlocal mobile campaigns.

This breakthrough technology using GPS signals can push ads to mobile users to promote events, drive in-store traffic, as well as offer special deals and coupons to users based on their location. This not only provides a solution to businesses looking to reach local consumers, but it also makes advertisements more relevant and useful.

Real-time bidding (RTB)

Real-time bidding, also referred to as RTB, is a real-time auction of mobile inventory.

RTB allows for buyers to compete for and purchase individual impressions that best serve their campaign's needs.

Both buyers and sellers share the value that RTB presents. Buyers purchase inventory that

they want, while publishers and developers benefit by receiving the maximum value for their ad space.

Rich media

The concept of mobile advertising has been around for over half a decade. However, the ads themselves have held back the full potential of mobile advertising.

Granted banner ads might have been a little uninspiring and dull due to technological limitations. At the end of the day, they were not converting the way advertisers had hoped.

Now, with faster smartphones, improved wireless Internet speeds, and the implementation of HTML5 in most mobile Web browsers, rich media ads are growing in popularity.

Rich media ads include video ad units as well as interstitials, which are more animated and more esthetically pleasing to the eye.

In today's world, rich media ads make more sense than static ads because consumers demand engaging, entertaining, and enhanced picture quality as technology advances.

Although rich media ads can be a bit more expensive, they have proved to be significantly more effective in the past years, achieving an average of 1.01 percent higher of a click-through-rate when compared to banner ads.

ADVERTISERS, DEVELOPERS AND publishers are spending more time and money on mobile advertising than ever before.

With the explosion of apps and rapid increase of mobile device penetration, the potential of this market is like no other medium we've seen before.

Mobile advertising allows advertisers to optimize while also offering its scalability, making it even more effective and unique.

With technology allowing for a successful mobile ecosystem in 2012, the building blocks are now set in place to assist in bridging the gap between opportunity and capability. The time for mobile advertising is now.

Justin Barr is chief operations officer of [TapIt! Mobile Advertising](#), Irvine, CA. Reach him at jb@tapit.com.