

COLUMNS

Is mobile advertising good for you?

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Like or loathe it, advertising plays an important role in our social fabric. It helps to initiate trends, propel cultural identities and keep us informed about latest products and services.

Advertising has, however always suffered accusations of manipulation, exploitation and misleading audiences. Marketing will always have its strengths and its weaknesses, and these will largely amount to the way in which brands either exploit potential consumers or use advertising as a long term brand positioning tool, creating demand and loyalty.

With consumers being perpetually bombarded by messages, many have perfected the ability to tune-out.

Channeling thought

Over the past few years alone, the channels available to advertisers and marketers have expanded dramatically. We now have seven mass channels – outdoor, print, radio, cinema, television, online and mobile. Each has their place in the marketing mix though mobile is the one channel that has the ability to act as a glue across the others.

When used with other types of advertising, mobile is an incredibly powerful platform that has the ability to deliver measurable results about engagement and adapt the advert to be contextually relevant.

Great examples of this include campaigns from Blippar, the augmented reality company

that makes advertising and products come alive to let users know about local offers, changes to prices or locations of shops.

Taking this one step on, Tesco recently launched a campaign that allows consumers to use an advertising board at London's Gatwick Airport to buy groceries using their phones. This mix of outdoor and mobile helps consumers to feel engaged with the brand and shows the pace at which public acceptance using mobile to interact with other forms of advertising has increased.

To further show the importance that mobile plays, not just in marketing but in everyday life, research recently published by Time magazine shows that 68 per cent of people sleep with their phone next to their bed. It is also the first thing most of us look at before going to bed, and the first thing to which we wake.

Nokia once stated that, on average, someone looks at his or her phone 150 times per day. While we may upgrade to a newer model every few years, we are well and truly attached to our mobiles. For the marketing community, this is profound.

Wise to optimize

Recent studies have shown that when it comes to effectiveness, mobile marketing campaigns perform better than traditional channels in terms of awareness, recall, action and decision-making.

While brands are becoming wise to the fact that mobile works, research recently released by the Interactive Advertising Bureau shows that only 40 per cent of the top 100 brands have mobile-optimized Web sites.

When one then considers that the research shows that advertisers with a mobile-optimized Web site enjoyed increased engagement with consumers, with an average dwell time of five minutes – two minutes longer than the average for advertisers without a mobile Web presence. The mind starts to boggle as to the opportunities being missed. If people cannot easily find company information relevant to their needs, it is the company that loses out.

Further research, this time from the Online Publishers Association, shows that 39 per cent of consumers using a smartphone were driven to take action after seeing an ad.

If you are not convinced about the mobile platforms credentials, consider that 15 per cent of all smartphone content consumers have clicked on an advert – compare this with online click throughs and you will find that the average rate is just 0.2 per cent.

Because of the intimacy, targeted nature and increasing functionality of mobile devices, mobile payments is a good example.

Billions served

We are reaching the point where contextual relevance advertising can really kick off. This would mean that ads can be targeted to us based on who we are, where we are and what we may want.

While this may sound like a privacy and personal information barrage, technology now exists to allow users to control exactly what information they give away, and the type of advertising they are happy to receive directly from their phones. What this allows is for mobile advertising to deliver information relevant to an individual, adapting its message to the time, weather and location to have the most impact.

Despite overall spend on mobile advertising accounting for 1.06 per cent of the total spend on advertising last year, with mobile bringing in \$5.3 billion out of the \$498 billion, it is increasing, rapidly.

As additional brands and advertisers realize the potential of mobile, its value is going up. Targeted, rich media and search campaigns are helping to lead this charge.

Last year, M&C Saatchi Mobile represented a 15-20 percent margin of profits of the M&C Saatchi group, thanks to the use of high-performance targeted campaigns that reached the intended audiences. We are also seeing an end to cheap mobile advertising inventory as demand goes up and spaces become a premium.

This helps to clarify why Facebook is so focused as it tries to implement a mobile advertising strategy. A lot is at stake. Facebook currently boast 550 million monthly mobile users, who are not seeing the adverts they would otherwise see from a personal computer. In 2011, Google's gross revenue from mobile advertising bought in \$2.5 billion for the company, something for now, Facebook can only hope it to replicate.

WHILST THERE ARE still hurdles to cross when it comes to dealing with privacy and data protection, there is no denying the power and targeted reach of mobile. Its relevance will only grow.

The digital generation that already live through their phones or have a mobile device in their hands when they are consuming other media, which is now being called "double screening" have embraced it.

Delivering advertising that is relevant to an individual's interests, preferences, wants and needs means that the validity, importance and value of mobile advertising will increase with time. It will not be long now until services such as Apple's Siri are developed to act as true personal recommendation engines.

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