

COLUMNS

Innovation can unchain mobile advertising's growth

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Mobile banner ads are almost universally panned for their ineffectiveness. They may be well suited for desktops, but fail to deliver the right handheld experience. A recent Dartmouth University study uncovered a multitude of reasons why these ads are ineffective. In other words, consumers just do not like them. Why then use them?

The industry's inability to innovate to accommodate consumer preferences helps to explain why an estimated \$20 billion market opportunity in the United States alone is still being under-serviced. Meanwhile, record numbers of new devices are being sold.

Numbers game

Smartphone vendors shipped 237.9 million units worldwide in second-quarter 2014 compared to 156.2 million units in the prior year, according to IDC data.

Growth is continuing to accelerate, and so is the opportunity for mobile advertising.

Gartner estimates that global mobile advertising revenue will reach \$24.5 billion in 2016.

The time that users spend on their mobile devices is now, in some places, almost exceeding desktop digital activities.

That fact is not lost on Wall Street.

Facebook's stock is ascending because investors believe that it has new revenue-generating ideas that will improve relevance and leverage the popularity of watching short form videos on mobile devices.

One of those is to include short-form premium video ads in its video streams. Video ads are a relatively new experience for mobile end users, but are more appropriate for the mobile form factor than banners.

Juniper Research forecasts that targeted rich media ads will help drive the mobile advertising market to \$39.3 billion worldwide by 2018.

Facebook's success colors that opinion, but Juniper believes that geolocation and big data will empower successful campaigns, so other advertisers could experience similar positive customer responses.

Other approaches promise to create additional value for the consumer.

More buzz

New search technologies can supplement media by factoring in context and intent. A video about a skier making her way down a stunning slope could incorporate information in-line about what mountain she is at, and a clip of James Bond drinking a martini could also sell a vodka brand.

Sponsored content is gaining traction, too.

BuzzFeed, Facebook and Twitter can deploy creative posts anywhere and do not differentiate between mobile or desktop displays. Predictive technologies can help match third-party content to individual users' tastes.

These types of customer experiences can save time and deliver value for the user by delivering more relevant ads that interest them. They also address some of the problems raised in the aforementioned Dartmouth study.

The study found that tiny banner ads are simply too small and click-throughs take users to landing pages that interrupt access to the content that they want. They want content that matters to them.

ADVERTISING PLATFORMS that complement how people consume content and that strive to make meaningful connections based on individual interests via mobile devices are necessary to unlock a massive potential market.

Failure to innovate has inhibited advertising growth, but a renaissance of ideas should re-engage and delight consumers. There is a multi-billion-dollar market opportunity if the right mediums can take hold.

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