

RAW POTENTIAL IS IRRESISTIBLE, BUT CURRENT REALITY LAGS

Mobile advertising on cell phones is The Next Big Thing, the experts agree and advertisers are pushing ahead even though the technology is still in its infancy.

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Newspapers can join the parade by offering their customers multimedia packages that include print and mobile elements. Just consider the sheer numbers of cell phones Worldwide, it's between 2.7 and 3.0 billion, and analysts project that 1 billion more people will be added in the next few years.

But it's not just the raw numbers of users that make the idea of mobile advertising so appealing – it's the nature of the relationship the user has to the device.

Studies show that on average, it takes less than an hour for owners to realize that they've left their phone behind at a café, but it takes nearly two days for the average person to realize that they've forgotten their credit card.

Marketers describe this as "intimacy" – the feeling that we have a special relationship with our phone, that we carry it everywhere, and that its sounds take precedence over everything else in our environment.

That trust, the "always-on" nature of mobile devices, and the sheer numbers have made believers out of some fairly significant tech players. No less an authority that Google

CEO Eric Schmidt, said last year that "The next big wave in advertising is the mobile Internet," and predicted that within five years, Google will earn more from mobile ads than it will from traditional internet advertising.

A case study made public by *Superpages.com* (left), reveals why so many industry insiders are getting excited about the possibilities of mobile marketing:

These numbers are so compelling that they beg the question: if an advertiser can earn \$300

ADVERTISER	AD SPEND PER MONTH (\$)	COST PER CALL (\$)	CONVERSION RATE (%)	GROSS REVENUE PER SALE (\$)	SALES ROI
Florist	1,200	4.50	82	64	12:1
Musical theater	2,500	13	47	147	5:1
					monthly 60:1
					annual 60:1
Local delivery	1,100	12	30	1,800	47:1
Skilled tradesmen	300	35		74 89	2:1
Lasik surgeon	700	3.70	58	1,999	309:1



ADIDAS SHOES CREATED A MOBILE CAMPAIGN WHERE USERS COULD "JOIN THE BROTHERHOOD" BY SENDING IN A TEXT MESSAGE. THE *ADIDASBASKETBALL.COM* WEB SITE ALLOWED CONSUMERS TO EXPERIENCE ADIDAS BASKETBALL THROUGH A SERIES OF WEB EPISODES AND OTHER CREATIVE ON-LINE ACTIVITIES. A MOBILE SITE WAS ALSO USED TO BUILD PURCHASE INTENT BY PROVIDING DEDICATED PAGES FOR EACH NBA PLAYER AND HIS SHOE, PLUS CUSTOMIZED RINGTONES AND WALLPAPER DOWNLOADS. IN THE FIRST WEEK, 5 MILLION MOBILE IMPRESSIONS DROVE 75,000 PAGE VIEWS TO THE MOBILE SITE AND NEARLY 8,000 PEOPLE OPTED IN. SOME OF THE NUMBERS HAVE SINCE GROWN TO 88,000 TEXT OPT-INS, 100,000 VOICE CALLS AND 300,000 SMS MESSAGES. RESULTS SHOWED THE PURCHASE INTENT FOLLOWING THE CAMPAIGN WAS AT 93 PERCENT.

for every \$1 they spend on mobile, why isn't everyone doing this?

The reason is that effectively using the strength of mobile requires that the advertiser gather, assess and employ two data points that heretofore have not been controllable: choosing exactly where and when the user is exposed to the marketing message.

Think of it this way. In the past, newspapers had no control over when and where their readers used them. It could be around the breakfast table, on the subway to work, or during a lunch break.

A mobile ad, however, can be timed to hit the consumer first thing in the morning, to remind her that there's a new flavored coffee to try out. Or the ad can be sent to all the phones in the downtown area, telling them that despite street repairs, a store is still open for business.

The benefits are obvious – but the technology to achieve this is still under development.

The push to mobile marketing is coming from advertisers, rather than agencies – mainly because there are few agencies that are actually able to conceive and execute a true "360 degree" ad campaign – that is, an ad campaign where the consumer is shown consistent branded messages in print, radio, TV, mobile, outdoor, etc. The web is full of agencies claiming they can implement "360 degree" campaigns but nobody seems to agree exactly what such a campaign would look like.

There are two overused examples of the mobile ad campaign of the future that keep getting cited: 1) the 2002 Steven Spielberg movie *Minority Report*, where Tom Cruise's

character walks past store displays and retinal scanners determine his identity, and instantly start blaring ads using his name, and 2) the idea that a consumer will walk past a Starbucks, and his phone will buzz, alerting him to a 20% off coupon.

"Seriously, we need to come up with some new paradigms, because these two are just beaten to death," says Placecast CEO Anne Bezancon. "We're lacking a clear vision of where we're headed right now, because this whole area is still so new."

"There are several components that all have to start coming together for these fantasies to become a reality, and we cannot start assembling the components until we have a proper toolbox. That means strong, well-thought-out analytics programs that show what kinds of results you get from what actions."

"The problem is that you won't know what works until you try. But people won't try anything really new because they don't know if it will work."

Placecast (*www.1020.com*) is a mobile advertising firm that combines location-based data gathered from web, mobile or wi-fi networks with user data (prior searches, browsing history, type of handset) to target mobile customers.

OBAMA'S HOUDINI MOMENT

That reticence to experiment with cutting-edge technology did not extend to politics last year. Barack Obama's winning presidential campaign is being cited as a shining example of how to reach out to a young, digital-savvy audience and motivate them to action.



From the very beginning, the Obama campaign recognized that college-age voters were no longer tuned in to newspaper, radio, or conventional TV news. The campaign used their traditional website to lure these young, energetic users into signing up for mobile news alerts – including Obama’s announcement of his choice of Vice-President (although the traditional media picked up the “rumor” first).

This constant stream of information kept the young audience engaged with the campaign – which brilliantly leveraged this interest by recruiting them into volunteering to work for the campaign, and to recruit their friends via a plethora of social media plug-ins.

Ultimately, the efforts paid off in the now-legendary Election Day “Houdini Project.” Volunteers were armed with smartphones loaded with the names of voters they were personally acquainted with. As each voter went to the polls, the volunteers would click on that person’s name on the screen of their phone. Back at campaign headquarters, regional coordinators could watch the names disappear, one by one, as the people in their database voted. They then asked the volunteers to go to the addresses of the remaining voters, bang on their doors, and remind them to go out and vote.

We all know the result – a landslide victory for a man few people considered a viable candidate only 12 months earlier.

Companies across the spectrum are studying the strategies the Obama campaign used to reach out to voters, with an eye towards adopting these to their own ad campaigns. Some lessons have already emerged:

1. GROW YOUR SMS AND EMAIL DATABASES.

The campaign used its database of 10 million email addresses to send text messages, geo-coded to specific area codes, that included viral suggestions to “Please fwd this message.” The

timing of the email blasts was adjusted, based on the times that the recipients opened their emails (people react badly when their phone starts buzzing at 5 a.m. with an ad message).

2. USE YOUR DEMOGRAPHIC DATA TO FIND NEW USERS.

The database wizards at Obama’s campaign sifted and organized the data points they collected about voters, and then used that to target them with specific messages.

3. MOBILE APPLICATIONS ARE TAKING OFF.

The iPhone application “Obama ‘08” allowed supporters to:

- Call friends
- Get involved
- Receive updates
- Browse news
- Find local events
- Browse video and photos
- Counter opposition propaganda

4. RECRUIT YOUR USERS.

All the social networking tools (the Obama campaign maintained a presence on at least 16 different sites) were used along with mobile messages to prod the users into volunteering time, contributing money and reaching out to undecided voters they had a personal relationship with.

SMALL SCREEN, BIG PROBLEMS

The task of migrating advertising to the mobile platform appears easy – both are digital displays, so all you need to do is take a banner ad from the Web site and stick it on the phone, right?

Not so fast.

Many considerations come into play when displaying ads on a phone. These include:

- **Screen resolution** – most often expressed as “screen width,” this refers to how many pixels wide the screen on the phone handset is.
- **Color depth** – usually expressed as 8-bit, 16-bit, 24-bit; if you are old enough to remember



APPLICATIONS LIKE SAVEBENJIS.COM, SLIFTER.COM AND FRUCALL.COM CONNECT TO THE WIRELESS WEB TO EMPOWER BARGAIN SHOPPERS

the early days of computing, video screens could display 8 colors, then 64 colors, then 256, and finally, millions of colors. Same here.

• **File size** – particularly crucial in mobile advertising, since phones typically don’t have the RAM and hard drive storage that computers do.

• **Phone processor speed** – just as in computers, the speed here is constantly improving, which means that phones are starting to be able to render and display video.

• **Software/operating system on the phone** – FlashLite, Microsoft Windows Mobile, Android, Apple’s iPhone OS, Symbian.

• **Functionality** – clicking on the ad can cause a script to run that causes your phone make a phone call, launch an application or go to a browser page.

With more than 30 screen widths, combined with a dizzying variety of color depths, it can be challenging to make a banner ad display consistently across the audience’s handsets. Fortunately, other ad options are emerging.

1. IMAGE-RECOGNITION SOFTWARE.

This intriguing ad model offers a way for print publishers to leverage their existing ad placements. Companies such as SnapTell are working with magazines like *Rolling Stone*, *Men’s Health* and *GQ* to produce print ads that allow the reader to take a picture of an advertisement in a magazine, send that image to the publisher or advertiser, and in return get exclusive content (wallpaper, ringtones, coupons, etc.). The program is being expanded to include the capability to take photos of movie posters or product packages.

In China, the Czech car company Skoda is conducting a mobile campaign to promote its new Fabia car, using MyClick’s image-matching marketing platform. Chinese consumers snap a picture of the Fabia logo and text it to a phone number to receive product and road show details, book a test drive, and download video clips and ringtones.

2. COUPONS.

One of the most popular early mobile marketing campaigns is the coupon. Users are not as wary of receiving content on their phones if it promises to save them money – despite the fact that using a coupon on a cell phone also delivers demographic information about the user when the purchase is made. Juniper Research estimates that by 2011, about 3 billion mobile coupons will be redeemed for \$7 billion in discounts.

However, one hurdle is that many older laser barcode readers are unable to process an image appearing on a cell phone’s LCD screen.

3. QUICK RESPONSE (QR) AND BAR CODES.

More and more cell phones are starting to come equipped with software that allows them to read bar codes and Quick Response codes (you can see an example of a QR code here).

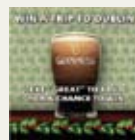


Developers at ShopSavvy (www.biggu.com) and *Compare-Everywhere.com* have developed applications that use the cell phone’s camera while shopping to scan bar codes for products, and then go to the web to determine whether or not the store is offering a good price. Applications like *SaveBenjis.com*, *Slifter.com* and *Frucall.com* connect to the wireless web to empower bargain shoppers, while online heavyweight *Amazon.com* has launched a new mobile shopping application for the iPhone that will compare retailer’s prices with Amazon’s.

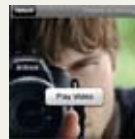
OTHER NOTABLE MOBILE AD CAMPAIGNS



Covergirl Makeup ran a campaign where young girls could take cell phone pictures of their faces, send them in, and then experiment with makeup products on their own picture to see what the results would look like.



The **Guinness Quality Mobile Program** reached out to fanatic beer drinkers, asking them to rate the pint they were served in various participating businesses. Each time a user rates their pint, on a scale of 1 to 10, they are entered in a sweepstakes, and the winning bar will get a plaque.



Nikon is running a interactive banner ads on VideoEgg to reach out to digital video fanatics. They are touting the HD video capabilities of their new D90 camera, and clicking on the ad launches a video showing off videos shot with the SLR.



Citroën used a highly targeted campaign aimed at influential early adopters to launch its new C5 model car. Banner ads on the Vodafone Live were aimed at driving enthusiasts, and took users to the Citroën mobile site, where they were able to view vehicle specifications, download Citroën videos, take quizzes, find dealerships in their area, and request a brochure and test drive.

Quick Reponse codes put even more comparison power in the hands of the users. A QR code can contain up to 4,296 characters (or a string of 7,089 numbers). Users with cell phone cameras and the right software, can take a picture of the QR code, which causes the phone's browser to launch and redirect to the URL contained in the code. The codes can appear on newspaper pages, signs, buses, business cards, or any object on which you can print a decent-resolution image.

4. CLASSIFIED ADS AND SOCIAL MEDIA "PIGGYBACKING". Researchers are finding that classified advertising may be the "killer app" for mobiles, because nowhere else do we find such clearly defined geographic limits on shopping behavior. Studies show that users will drive about 2 miles to buy used clothes (especially baby clothes), about 10 miles to buy furniture, and about 30 miles to buy a used car. GPS-enabled classified ads will enable users to advertise and buy more effectively. Tying this capability to local news alerts could provide a business model for newspapers seeking to reverse the losses they have suffered at the hands of *Craigslist* and other web competitors.

Meanwhile, users are increasingly using their social media networks to conduct product research – that is, they are asking their *Facebook* or *MySpace* friends what camera to buy, what jeans look best, and which club has the best drink specials on a Thursday night. These recommendations carry extreme weight in influencing buying decisions – so naturally advertisers want to place their context-sensitive message somewhere on the screen.

5. COMMON SHORT CODES (CSCS). Common Short Codes (CSCs) are a short series of numbers, usually five or six digits, to which a user can send a text message that will trigger a response message from an advertiser send-

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LEFT: ADIDAS' BASKETBALL SITE
RIGHT: I-PHONE'S OBAMA APPLICATION



ing back information or content, or enter the user in a contest. These ads are seen as the next step up from banner ads, because they are more interactive and engaging, but still simple enough to deploy that more than 90% of handsets can use them.

6. VIDEO AND "RICH MEDIA". One of the biggest objections raised when the subject of video on mobile handsets comes up is, "Who would watch a movie on a two-inch screen?" The answer is, "Someone who is stuck somewhere with nothing else to do."

In Japan, where mobile use is about two years ahead of the rest of the world, researcher Mimi Ito says that "Mobile video is experienced at times and in places where the user partakes of what we call 'cocooning media.' In Japan, the youth curl up on a train or bus, put on their headphones, and separate themselves from their environment and into whatever it is that they have cued up on their mobile devices."

A "cocooning media" user has all their attention fixated on the device, making it much easier for an advertiser to actually deliver their message.

7. IMMERSIVE ENVIRONMENTS. Above and beyond all the other means of delivering marketing messages to users are "Immersive Environments," which can come in the form of a mobile application that integrates directly with a mobile phone's contact list, embedded GPS, camera and other native capabilities. The environment changes the phone's wallpaper, ringtones, screen saver and adds games, videos or other exclusive content.

"Immersive Environment" means that the advertiser has built what is basically an interactive computer program. This goes way, way beyond just designing a banner ad or even a QR code. This is a program that has to work on the handset, not take up too much memory on the phone, get along with the other

software and applications on the phone, and then deliver some kind of ad message in a way that a user will find fun and playful. It's like building a video game, basically - but one that is also sensitive to the time and place that the phone is being used.

Ford of Europe has launched "Find It," a 3D interactive "advergame" for mobile phones to promote its new Ford Ka – a car that is aimed at hip 20somethings who aren't plugged in to traditional media and advertising channels. Three different designs of the Ford model are featured in the mobile application, which is triggered by a QR codes – that is, when a camera phone is pointed at stickers that are distributed through bars, clubs, fashion boutiques, universities and at music clubs, the phone then displays a 3D image of the Ka.

Tilting the phone to display the Ka at different angles then reveals a secret URL: *GoFindIt.net*. The Ka ad campaign unspools like an online adventure game, where the user has to collect clues to advance to the next level. The whole campaign is constructed around the slogan, "Look beyond the obvious to discover the hidden treasure."

The Ka ad campaign is a scavenger hunt that takes place both in the real world, and in a virtual world, where users discover clues hidden in films, ambient music and photos created exclusively for the campaign.

A video of delighted users playing with the Ford Ka campaign in England is at: <http://uk.youtube.com/watch?v=PrwmHnnSXYo>

Smirnoff vodka has an environment that guides users through everything they need to do to have a fun evening out on the town. The phone picks out restaurants and bars, based on whether or not you're taking out business associates or a hot date. It then suggests ordering cocktails appropriate to the occasion, all of which contain Smirnoff vodka. At the end of the night, the phone will even call you a cab, and use GPS to navigate the best way home.