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Mobile Advertising Beyond the iPhone

KF Lai, CEO of mobile social networking firm [BuzzCity](#), cautions brands not to become too fixated on the iPhone



The mobile advertising industry is experiencing explosive growth, as more and more brands and content owners realise its potential. A recent report by Gartner predicts that the mobile advertising market will grow from less than \$1 billion (£535 million) last year to surpass \$2.7 billion in 2008, and \$12.8 billion by 2011. Many members of the mobile industry have been quick to position the iPhone at the forefront of this boom, but we at BuzzCity believe that this forms only part of the story.

While the birth of the iPhone has certainly fuelled interest in mobile advertising among big brands in the Western world, the majority of mobile users in developing markets are still using simple mobile handsets such as the Nokia N73 for mobile Internet browsing. These users are prime targets for mobile advertisers in these regions, especially because the use of PCs is generally very limited, which makes it difficult to reach a more traditional online audience. Even in the UK, there is a large consumer sector which does not regularly access the Internet via the PC, but prefers to do so via mobile phone. This is particularly true for workers on the move, such as delivery staff or lorry drivers.

Blue-collar workers

One needs to consider that mobile advertising is different from any other form of advertising. Whereas advertisers use mainstream media to target PMEBs (Professionals, Managers, Executives and Businessmen), companies can now effectively target blue-collar workers around the world, as well as citizens of developing countries, and in areas outside the major media markets. These users have demonstrated that they have disposable income, and that they enjoy keeping track of the latest products and services. The mobile channel provides a novel way for them to access information, and is proving increasingly popular. The rollout of flat-rate data pricing by operators has played a significant role in boosting the uptake of the mobile Internet and content, crucially increasing the reach and effectiveness of mobile advertising. This is particularly prevalent in developing markets, where we have seen a direct relationship between the introduction of flat-rate packages and the number of mobile advertisements viewed by consumers. BuzzCity recorded over 1.2 billion advertising page views in Indonesia alone during the second quarter of 2008, representing 185% relative growth, compared to that recorded during the first quarter of 2008. India and South Africa are also experiencing high growth rates, with both countries serving over half a billion advertising page views in the last quarter.

Personal devices

Advertisers are now realising that mobile phones are not only widely available all over the world, and across all sectors of society, but that also, they are very personal devices, making them a powerful channel to deliver highly targeted and relevant information. They have one user and are carried 24/7, in use at home, at work and when on the move, acting as an instant, real-time response channel. At the same time, new technology means responses to mobile marketing can be tracked back to specific campaigns. For example, it is possible to accurately measure clickthrough rates and provide detailed analytics of pages browsed. This means that many more marketing agencies will begin to recommend the mobile channel, as they can provide positive feedback to clients.

The advantage of advertising via a mobile social network portal is that the creators of the community can easily track user preferences. By gathering information on subscriber demographics, users can be targeted by age, gender, topic, location and device type, meaning that both advertisers and consumers stand to gain from enhanced relevance. Like many Internet surfers, mobile social networkers use the sites for two main reasons: entertainment and companionship. However, this will change, as mobile phones become more and more ubiquitous and cost-effective, and users come to rely on them for many different functions, including entertainment and, crucially, personal banking.

Demand for content

We recently carried out some research which showed that consumers are very eager to access new services via the mobile Internet. More than half of the survey respondents (51%) said they would use their mobile phones for financial services, and a further 12% expressed a significant interest in buying movie and travel tickets via mobile. There is a definite demand for more content, and not just entertainment content. Users want access to practical information, such as classified ads for jobs or property, which will ultimately serve to further fuel the rise of the mobile Internet and, in turn, mobile advertising. Those brands who are ready to embrace the rise of the mobile Internet will prosper in a ever-increasing global market, whereas those that only target the iPhone generation risk ignoring a huge chunk of the potential audience.

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