

Summary

People are constantly telling you that you need to have a mobile presence. From [mobile PPC](#) to [mobile apps](#) to [SMS marketing](#), we've given you what we hope is helpful mobile marketing advice. Mobile marketing can be hard to figure out, and we want to help.

But what if you're not interested in the how. What if you're still not sure if or *why* you should add mobile into your marketing mix? You need to be convinced of that before you move on to the how.

This [infographic](#) from SMS marketing company [SlickText](#) is here with compelling stats that should do well to convince you mobile is where you need to be. Once you've changed your mind, you can get to work on your mobile marketing strategy.

32 reasons to have a mobile marketing strategy:

1. In 2014, mobile internet usage will overtake desktop internet usage
2. Adults spend more time on mobile media than they do on newspapers and magazines combined
3. 91% of adults have their mobile phone within arm's reach 24/7
4. 81% of U.S. cell users will have smartphones by 2015
5. 75% of mobile users use their mobile device for shopping
6. The global mobile market will grow from \$3.4 billion in 2010, to \$22 billion in 2016
7. Close to a billion smartphones are predicted to sell in 2013
8. 53% of American consumers use their smartphones to access search engines at least once a day
9. Four out of five consumers use smartphones to shop
10. Over 75% of mobile users respond to mobile-optimized sites when making purchases
11. 79% of small businesses feel that mobile sites boost customer engagement
12. Tablets are to outsell PCs and laptops in 2013

- 13.** 64% of smartphone owners are now using their mobile devices to shop online
- 14.** 75% of Americans bring their phones to the bathroom
- 15.** \$22 billion is being spent on mobile advertising in 2012, compared to only \$3 billion in 2010
- 16.** 52% of smartphone users prefer receiving offers on their mobile device
- 17.** 70% of Americans would like to receive exclusive specials right on their mobile devices
- 18.** Mobile ad spend has quadrupled since 2009 and is expected to keep growing at the same pace for the next 2 years
- 19.** 40% of marketers are using mobile coupons
- 20.** 95% of text message coupons are opened within the first 5 minutes
- 21.** 22% of mobile coupons are shared with at least one friend
- 22.** Text marketing coupons are 10 times more likely to be shared than magazine and newspaper coupons
- 23.** Mobile search queries have grown five times in the past two years
- 24.** 52% of all local searches are done from a mobile device
- 25.** 95% of mobile users use their devices for local search
- 26.** Nine out of ten mobile phone searches result in a purchase or visit
- 27.** Three out of every five searches are conducted on a mobile device
- 28.** 50% of travel or restaurant mobile queries result in a purchase
- 29.** 52% of adult mobile phone owners use their devices while in a store to get help with purchasing decisions
- 30.** 99% of smartphone owners use their mobile browser at least once a day
- 31.** 71% of mobile browsers expect web pages to load almost as quickly as or faster than web pages on their desktop computers

32. 74% of consumers will wait 5 seconds for a web page to load on their mobile device before abandoning the site

[x+1] Research: Only 3% Of Marketers Find 'Good ROI' In Mobile

by [Tyler Loechner](#), Yesterday, 4:49 PM

Marketing technology company [x+1] is gearing up to release a research report comparing how marketers and consumers perceive the value of certain ad types, and the company's VP of marketing John Haake gave RTM Daily an early look at the key findings. Chief among them: only 3% of marketers are finding "good ROI" in mobile.

The data is part of a research study [x+1] co-commissioned with Research Now, and the full report is expected to be released within a month. "What we were trying to do is understand where marketing budgets aligned with effective advertising as defined by the actual consumer," Haake said. The data comes from 250 consumers and 200 marketers and the survey was conducted in mid-July.

While only 3% of marketers reported "good ROI" in mobile, Haake believes all signs still point toward mobile becoming a bigger part of the marketing mix. "It takes a long time for the dollars to actually flow to where the eyeball is," he pointed out. He added, "The interjection of programmatic techs and better targeting data has created something of value in [mobile] that may have not existed for consumers in the past."

Even though marketers are responding to consumer behavior by budgeting more for mobile, Haake noted that "clearly it is something that we haven't found the right combination for. No one, including consumers, is particularly satisfied with the type of communications that are occurring there."

Outback targeted users nearby its competitors

A recent mobile campaign from Outback Steakhouse saw a 78 percent lift in the click-through rate for ads delivered to users within five miles of a competitor's location.

The campaign also included a geo-fence around Outback locations to reach loyal customers. A key learning was that post-click activity was highest on the portion of the campaign targeting competitors, showing an 11 percent lift on conversion actions such as accessing a store locator compared with standard geo-fence ads.

"Location is a major factor in a consumer's decision in choosing a place to dine as seen in our Mobile Path-to-Purchase research study on Restaurant users – 65 percent of

consumers say they choose the restaurant based on its proximity to their existing location,” said Monica Ho, vice president of marketing at xAd, New York.



“As a result, through geo-conquesting, Outback was able to reach and engage consumers who were already nearby other casual dining locations with a timely offer, complete with information on how close the nearest Outback location was from the consumers' exact location,” she said.

“The response to these targeted ads shows the value of right place, right time messaging in mobile.”

Dining options

[Outback](#) was looking to increase intent to dine for lunch and dinner. At the same time, the chain wanted to drive traffic into restaurant locations from both loyal customers and those considering other casual dining restaurants.

To achieve these goals, Outback worked with [xAd](#) to put a 10-mile geo-fence around Outback Steakhouse locations and a five-mile geo-fence around other casual dining locations, which is known as geo-conquesting.

One series of ads promoted Outback's sirloin and crab legs menu options and encouraged users to click to view the menu.



The campaign drove awareness with patrons of other restaurants

Another series prompted users to use an Australian accent while they said key phrases and enabled them to click to make a reservation.

Overall, the campaign exceeded the industry benchmark of 0.5 percent by nearly 78 percent, with the geo-conquesting portion performing similarly to the loyalty portion.

The higher post-click activity on the geo-conquest portion of the campaign suggests patrons of other casual dining locations were considering Outback as an alternative dining option.

The next level

Geo-conquesting is becoming increasingly popular with mobile marketers as initial geo-targeting strategies reach for the next level.

A new report from xAd shows that 32 percent of geo-precise campaigns in the second quarter of 2013 included geo-conquesting,

Geo-precise targeting refers to targeting areas that do not conform to standard geo-boundaries and are based on more granular areas dictated by a GPS location or specific behavioral data

Overall, 90 percent of xAd's campaigns during this period employed some form of geo-precise targeting. This number is up 41 percent compared with the same period a year ago.

Geo-precise campaigns tend to be more popular during the fourth quarter and second quarter of the year, driven by seasonal activities such as the holidays and summer vacations. However, xAd reports that there is also a clear overall upward trend.

Local relevance

Other key findings include that location-based targeting for the retail and automotive sectors is becoming increasingly popular.

Additionally, geo-conquesting was most heavily adopted across categories that do not require an in-depth purchase consideration. The top three sectors for geo-conquesting in the second quarter in order were: restaurants, retail and financial services/insurance.

The report also shows that local relevance drives performance for marketers, outperforming industry standard click-through rates of around 0.5 percent, with display ads delivering a click-through rate of 0.58 percent, search 9.1 percent and geo-conquest campaigns 0.57 percent.

“As the majority of casual dining restaurant visitors are walk-ins vs. advanced reservations, local marketing and promotions are essential components to driving customer awareness and sales,” Ms. Ho said.

“Locally-targeted mobile ads delivered at the critical moment when dining decisions are being made can make the difference in your seats being filled vs. your competitors,” she said.

Mobile Devices Accounting for Almost One-Third of Online Conversions Across Major Verticals

August 16, 2013 by MarketingCharts staff

A study of 100 million “conversion events” across 4 major verticals (telecom, retail, auto, and travel) and multiple devices – including mobile phones, desktop computers, and tablets – reveals that 31% of said conversions took place on a mobile device. The study, [conducted by AOL](#) in conjunction with the University of Virginia School of Engineering and Applied Sciences (SEAS), also finds that 65% of mobile conversions took place on a tablet.

The proportion of conversions taking place on a mobile device has grown by 28% over the past year, according to the researchers.

Telecom appears to be the most heavily influenced vertical of the 4, with 37% of new plan and device purchases coming from a mobile device. Next up was retail, with 35% of purchases occurring on a smartphone or tablet. Auto (22%; referring to finding a local dealer, requesting more information, configuring a car, and travel) and travel (20%; referring to booking a hotel, flight, or car reservation) were relatively less influenced.

Consumers are now spending one-quarter of their digital time at home on their tablets or mobile phones, according to the study, and three-quarters of the mobile ad impressions tracked were viewed inside the home. While the researchers note that this “runs counter to the prevailing wisdom” that most mobile device use occurs outside the home, that view has been debunked several times, as discussed [here](#).

About the Data: The data is based on 500 billion impressions served by AOL Networks during portions of 2012 and 2013.

Google Glass shakes up mobile

PHILADELPHIA – A Forrester Research executive at eTail East claimed that the combination of wearable technology, data and a consumer-chosen mobile interface will shake up mobile for marketers.

The Forrester executive spoke about the massive change that digital has caused for brands during the “Marketing Innovation in the Age of Digital Disruption” keynote session. The session also gave attendees a better grasp on why brands are creating innovation labs as ways to test new types of technology for better smartphones, tablets and desktop experiences.

“There’s this sensor issue that’s going to be a big game-changer for mobile,” said Bert DuMars, vice president and principal analyst at Forrester, Cambridge, MA.

“The reason I say that is, where are the future mobile devices?” he said. “Are we going to wear them as glasses as Google is proposing, are we going to wear them as watches as we all keep hearing is coming or are we going to wear them on our clothes?”

Wearable mobile

[Forrester Research](#) recently conducted a survey which found that 28 percent of

consumers were willing to wear sensors if they were included in clothes versus being tied to a specific device, which is the proposition behind smart watches and Google Glass.

The other interesting thing that Mr. DuMars sees coming down the pipeline is about screens.

Smartphones and tablets have become the way that consumers interact with things, which can be embedded within devices to feed data to the cloud.

The data can then be analyzed by the cloud's intelligence and deliver the analysis to an app that a consumer is using.

Mr. DuMars presenting

The talk nowadays with mobile is all about next-generation experiences that are contextual, and wearable sensors are one of the more interesting ways of creating those experiences.

There are still several challenges with mobile sensors, including availability, price and getting the data to the cloud.

Additionally, privacy issues around aggregating the data is tough.

However, the up-and-coming technology does give marketers an interesting way to connect with individual consumers, per the Forrester exec.

“Marrying up the intelligence with the data, with sensors, with the mobile interface that the consumer chooses is the winning proposition,” Mr. DuMars said.

7-Eleven is an example of a brand that tightly integrates data via mobile to build stronger relationships with consumers.

For instance, an election-themed promotion encouraged consumers to pick between either a blue or red coffee cup in-store to vote for a politician.

7-Eleven could then pull data by county based on which coffee cups consumers bought.

There was also a mobile component to the campaign with mobile display ads and an initiative that built up 7-Eleven's SMS program by doling out mobile coupons ([see story](#)).

The next step was to use the data to build out new apps via a hackathon. The winner developed an SMS app.

The 7-Eleven app also changes out content based time of day and location.

According to Mr. DuMars, 7-Eleven's goal is to have 50 percent of in-store revenue driven by digital in 2020.

Innovation drivers

Digital is disrupting marketing across all areas of business, including content and commerce.

As proof that brands need to be constantly innovating and testing new types of technology, Nordstrom, Target, Walmart and Staples are all rolling out innovation labs.

According to Mr. DuMars, this is because these retailers are feeling the pressure from both smaller companies and competitors to stay ahead of the curve in digital.

Brands are also struggling to deal with shorter customer lifecycles, which is evidenced by the growth in mobile users.

The Forrester executive referred to these users as part of a group called perpetually-connected consumers who are constantly on their smartphones and tablets.

"Customer behaviors are constantly changing, and why are they changing – they're changing because of smartphones and tablets," Mr. DuMars said.

"These are changing the way we interact, they are changing how they consume content, they are changing the way you shop and they are changing the way we interact with each other," he said.

Mobile Conversions Rise, Most At Home

by [Mark Walsh](#), Aug 14, 2013, 8:15 AM

The mobile shift is leading people to spend more time on devices, upping the conversions taking place on mobile. Nearly a third (31%) of online conversions across the telecom, retail, auto, and travel verticals occur on mobile devices, according to a new study by AOL and the University of Virginia School of Engineering and Applied Sciences.

The mobile share of conversions is up 28% in the last year, underscoring the swift transition from desktop to mobile. Telecom had the highest proportion of mobile conversions, at 37% (buying new plans and devices), followed by 35% for retail (making a purchase), 22% for auto (finding a local dealer, requesting more information, configuring a car or travel) and 20% in travel (booking a hotel, flight or car reservation).

The findings are based on analysis of more than 500 billion online ad impressions served by AOL Networks between 2012 and 2013, and 100 million "conversion events" across all devices -- mobile phones, PCs and tablets.

Mobile's 31% share of conversions "is much higher than what I thought it was going to be, and much higher than what marketers think it's going to be," said Chad Gallagher,

director of mobile at AOL Networks. He suggested that proportion was about twice what might generally have been expected.

However, the study leaves out categories like CPG, not considered as mobile-friendly as telecom and travel.

Where are those conversions coming from? Almost two-thirds (65%) are happening on tablets, driven by the iPad, which accounted for a full 85%. Looking at smartphone platforms, conversions were split evenly between the iPhone and Android-powered devices.

The results also corroborate prior studies indicating that users are more likely to make purchases on tablets than smartphones. Nearly two-thirds (63%) of tablet owners will buy something on their devices this year, compared to 39% of smartphone users, according to eMarketer. That gap is expected to grow to 72% versus 27% by 2017.

The AOL research further supports the counterintuitive finding that a growing share of mobile activity is happening at home versus out-of-home. The study found that three-quarters of all mobile ad impressions were viewed within the home, and a quarter of all digital time is spent at home on tablets or cell phones. That finding runs counter to the conventional image of the mobile user in on-the-go mode.

“The reality is, it’s mom, at night, with the TV on. When you change that image, it changes everything about how you think about mobile,” said Gallagher. He added that marketers still often run desktop-centric campaigns, with a mobile buy tacked on. But if they’re focused on the PC instead of mobile screens, he suggested they’re simply throwing away money.

The AOL research comes on the heels of [Nielsen data](#) released Monday indicating nearly all (95%) of tablet shoppers and 72% of smartphone shoppers who make a purchase with their device do so at home. Given that mobile is becoming more similar to desktop use, Gallagher expressed skepticism about the value of location-based marketing efforts.

“We fundamentally believe that is being driven by companies that have put a stake in the ground on location marketing being the key to mobile. The fact that 25% of all impressions are being shown at a mobile device at home, and a third of all conversions are happening on a mobile device -- that’s real business,” he said.

The problem for many marketers is that they don’t have the ability to track conversions across all platforms. “You need to ensure that every single technology can run across all platforms or you’re missing out on a third of your potential business,” said Gallagher.

AOL plans to release further findings from the data set in partnership with UVA. Gallagher is an alumnus, along with Advertising.com founder Scott Ferber.



DON'T NEED MOBILE?

You're Nuts.

The mobile industry is evolving

Businesses and organizations alike are learning that the recent explosion of mobile is not just a fad. Our devices have become an integral part of our everyday lives and it's only just the beginning. Here are 32 stats to show you why your business should have a mobile strategy.

MOBILE USAGE

2014, mobile internet usage will overtake desktop internet usage.

Adults spend more time on **mobile media** than they do on newspapers and magazines combined.



91% of adults have their mobile phone within arms reach 24/7.



81% of U.S. cell users will have smartphones by 2015.



75% of mobile users use their mobile device for shopping.

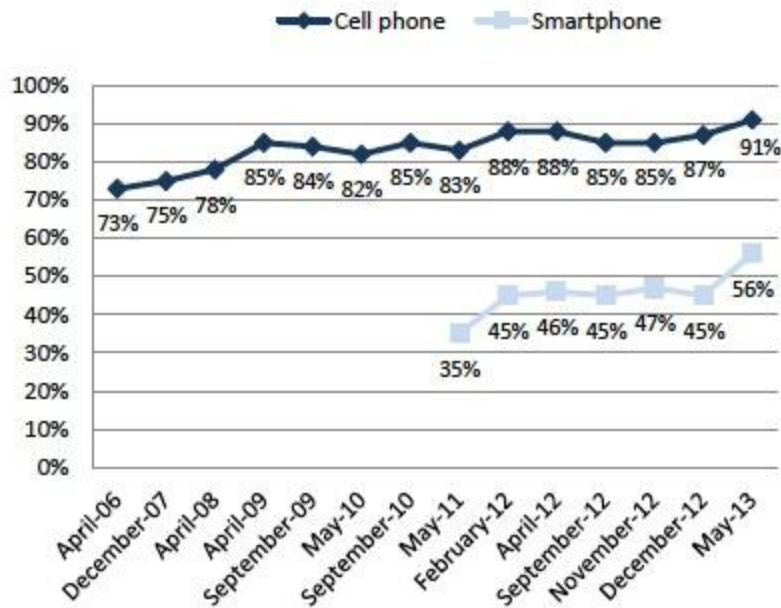


The global mobile market will grow from **\$3.4 billion** in 2010, to **\$22 billion** in 2016.



Cell phone and smartphone ownership, over time

% of American adults who own a cell phone or smartphone



Source: The Pew Research Center's Internet & American Life Project surveys
April 2006 – May 2013.

Are CMOs slacking in mobile?

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By [Rimma Kats](#)

July 5, 2013

The role of today's chief marketing officer has fundamentally changed. Knowledge of digital and mobile is more crucial than ever and many CMOs are currently struggling to understand today's increasingly tech-savvy customers.

CMOs need to better understand that reaching today's consumer is not about traditional marketing. It is increasingly about creating contextual and relevant experiences that engage with customers and that begins with mobile.

"Today's consumers live in a mobile first world," said James Citron, chief marketing officer of [payvia](#). "Unfortunately, many CMOs typically focus most of their spend on analog and

thus, are struggling to respond to the meteoric rise of mobile.

“And for those who have been bombarded by coworkers, peers and media to adopt a plethora of shiny tools, with the promises of higher company sales and customer loyalty, mobile uptake has been faster, but the ROI may not have caught up to its budget,” he said.

“The truth is, of the wide range of mobile marketing tools, only a handful of them actually produce high results across the entire marketing funnel – from reaching new customers, to driving sales and loyalty – and they aren’t usually the shiny ones.”

Understanding the space

While mobile Web, text message marketing and personalized mobile content continue to show high ROI, CMOs have too often been focused on creating one-off products, and not integrating mobile well enough across all customer touch points.

There are many reasons why chief marketing officers may be slacking in mobile.

The first of which is a digital disconnect between digital natives and the CMO who occupies the executive suite.

CMOs who are not digital natives need to embrace their digital and mobile-savvy colleagues, provide them the platform and freedom to test, prove and launch their digital strategies.

Then, there is the fear of big data.

The scariest thing for a traditional marketer is to know that every campaign can be tracked, measured and critiqued.

The top CMOs embrace this challenge by creating frameworks to distill the volume of data created by their programs.

“They are creating analytics tools to isolate the key variables of a successful program and utilize them to drive their future marketing strategies and campaigns,” Mr. Citron said. “CMOs are vital to the development of a great, customer-focused mobile experience.

“They are uniquely positioned to understand their company, their customer, what motivates them to align with the brand, while also understanding the business goals needed to craft truly successful mobile programs,” he said.

Moving forward, CMOs need to embrace their mobile customers and create experiences akin to how their customers are using mobile today.

Consumers are creating mobile content, communicating with their friends and family through messaging applications and trying to buy products from their mobile devices.

“When creating marketing strategies that truly fit today’s consumer behavior, CMOs can create relevant experiences that will resonate with their customers and drive the relevance, engagement and loyalty that marketers strive for,” Mr. Citron said.

Divided market

According to Vanessa Horwell, chief visibility officer of [ThinkInk](#), Miami, FL, today’s CMOs are divided into three segments.

The first is those operating within large companies where they have the cash flow on hand to invest in an all-encompassing mobile marketing program.

The second group consists of CMOs in smaller companies that embrace risk-taking behaviors and support mobile endeavors.

The final segment comprises of a broad middle section with tight budgets who struggle with defining what they want out of a mobile strategy and who, thanks to a well-entrenched post-recessionary mindset, remain highly risk-averse.

“While mobile is often trumpeted as the be-all and end-all for marketers, advertising budgets haven’t overwhelmingly switched to the mobile medium – at least not as compared to what earlier forecasts predicted,” Ms. Horwell said.

“My view is that many CMOs find mobile overwhelming – not just as it relates to cost of implementation, but the challenges associated with what type of mobile strategy or campaign is needed,” she said. “Mobile marketing has become an extremely sub-segmented marketplace including everything from ad networks, analytics, app developers, mobile CRM, RTB, social and so on.

“Many of these services are offered by multiple vendors, and not necessarily under one roof. Those who embrace mobile may be unwilling to be beholden to so many third parties simultaneously. And even if they choose an in-house approach that too requires considerable resources, talent and deep knowledge.”

Although many CMOs are struggling, they are still absolutely critical.

Charged with selling a mobile experience at the enterprise level, it is a CMO’s job to seek buy-in from CEOs and others across the entire business.

However, they are not the whole story.

Each department in an organization has its own ideas of how mobile works best for its needs.

Successful mobile experiences require more than a tick in a column marked “Yes for

And, CMOs must understand how mobile affects every aspect of the business and the bottom line impact.

“CMOs need to better understand their customers and gain increased granular insights into their shopping and engagement behaviors in order to craft a mobile experience that meets their needs,” Ms. Horwell said. “Things like what percentage of customers are iOS or Android users are important first steps.

“Another area that CMOs should be addressing is whether to focus on mobile Web or app investment – or even both,” she said. “Some industries, as we’re seeing in the hotel sector, are finding that apps are not as effective as having a mobile-optimized site.

“So part of the CMO’s role is to understand which mobile formats are optimal for their customer segments. Mobile is proving to be a very effective channel from which to gain this knowledge. But brands won’t know what mobile strategy to implement unless they have this data. But they have to start without being afraid and not look back.”

Key role

A recent Gartner forecast predicted chief marketing officers will outspend chief information officers on IT by 2017, and a great deal of that spending will be used to facilitate optimal mobile experiences.

With this, marketing CMOs and professionals are playing an increasingly visible role in technology discussions as they understand the audience and are key to shaping the desired digital experiences.

“CMOs today are very aware of the importance of mobile,” said Devanshi Garg, chief operating officer of [Icreon Tech](#), New York. “Evidently, CMOs have worked hard to set the stage for mobile marketing but sometimes need assistance on how to define their core value proposition and on the strategic implementation of their mobile marketing initiatives, which is where the conversations needs to shift towards.”

“When it comes to CMOs and their mobile marketing strategies, if 2012 was the year of mobile awareness, 2013 will be the year of mobile execution.”

Final Take

Rimma Kats is associate editor on Mobile Marketer, New York

By Bob Shullman Wednesday, July 3, 2013

You’re getting drowsy behind the wheel. Your phone detects your drooping eyelids and sounds an alarm. Jolted awake, you pull over and see your phone is guiding you to the

nearest place to get a wake-me-up fix – the nearest, that is, in the chain of coffee shops that built the watchful app.

You’ve just finished a run, and as you log your workout data into a fitness app, up pops a reward: a coupon for a free sports drink.

Your baby is irritable. Her high-tech diaper sends an alert to your phone that explains why, courtesy of your favourite diaper-cream brand.

Welcome to the brave new world of advertising.

While the episodes just cited are more cutting-edge than mainstream, mobile devices such as smartphones and tablets are already transforming Canadian behaviour and, with it, the very nature of advertising. And as advertising changes, it will work its way into the very DNA of businesses that need to perpetually **reinvent their interface with customers**. As for the media business specifically, the acceleration of mobile augurs well for the likes of Google and Facebook, and poses yet another challenge for the digitally battered publishing sector.

Advertising’s age-old “push” model of broadcasting messages to all and sundry, in the hope that someone pays attention, is being replaced by micro-targeted “pull” campaigns that effectively co-opt the customer into accepting messages and even bonding with the advertiser. That means businesses must learn, with the help of their ad agencies, to leverage data about the characteristics, preferences and even real-time location of mobile-addicted consumers.

The speed of change adds to the urgency for business. It was only six years ago that the iPhone was launched. In the past two years alone, the number of Canadians who own smartphones has doubled from 33 per cent to 67 per cent. According to a forecast from market researcher IDC, this year tablet sales will outpace laptop sales for the first time. Tablets are expected to surpass total personal computer sales in 2015.

Until now, advertising dollars have not kept pace. In 2013, out of an \$11.5-billion advertising market in Canada, spending on mobile-dedicated campaigns will reach only \$215-million, according to media buyer ZenithOptimedia.

That figure does represent growth of about 65 per cent from 2012, but it’s still only a sliver of the digital advertising pie. Traditional online display advertising – those banners at the top of a website, or boxes in the corner of the screen promising to reduce belly fat – is worth more than \$1-billion.

The new mobile “pull” methods vary wildly, with similarly divergent results, as will happen on a fast-changing frontier.

‘Subtle’ mobile ads

The earliest mobile advertising took the form of display ads: Banners and boxes, scaled down from the ones seen on larger computer screens.

“It was the new kid in town a couple years ago, and some companies just ruined it,” says Bernard Asselin, president of Montreal-based ad agency Bleublancrouge. “They were throwing in advertising that was not adapted to any mobile device. You could barely read what was in there.”

It’s a syndrome that Google Canada’s head of mobile advertising, Eric Morris, refers to as “shoehorning” – trying to make old ad formats work in places they don’t fit.

Not only are banners hard to read on a mobile device, they’re even more unwelcome than on a PC. “On mobile, the annoyance rate is higher than on my laptop,” Mr. Asselin said. “So it [an ad] has to be more personalized, more subtle. Not intrusive.”

In contrast to banner ads, the most successful transition to mobile has been in search advertising, where Google rules, draining away ad dollars from old-guard media.

Google users are already looking for information. So when Google responds with results, whether on a PC or a mobile device, it does not feel like an intrusion, even though consumers know some of those results are paid for

But even for Google, mobile is still a work in progress. It wasn’t until recently that the company made it possible for advertisers to manage online search campaigns and mobile buys through a single process. Before, Mr. Morris explains, they had to buy ads separately and micro-manage a raft of different campaigns.

That said, Google is still trying to convince advertisers to use the features it has already put in place for mobile. Although advertisers can include “click-to-call” buttons in their search results – an option that boasts a 6 to 8 per cent uptick in click-through rates – only about one in 10 in Canada have bought in.

Going past search-based advertising on the scale of consumer utility can produce not just a hookup but brand affinity – or so the Oscars of advertising said implicitly last week. It was only [the second year](#) that the Cannes Lions International Festival of Creativity gave an award for mobile advertising, and for the second year, the Grand Prix in Mobile did not go to an ad in the traditional sense.

This year’s winner was a product developed for a telecom company in the Philippines. It [coded textbooks](#) on to SIM cards that slip into even the most low-budget mobile phones. Children received digital access to school materials, without needing the sort of fancy tablets or Web-enabled smartphones that their families cannot afford.

Last year, the winner was a campaign by Google that [re-imagined](#) the old *I’d Like to Buy the World a Coke* song. It placed special vending machines, hooked up to a mobile network, in public areas around the world. Anyone with a smartphone could send the

machine a message to give away a Coke to a stranger. The network then sent back a video of that stranger accepting it.

The possibilities for making oneself useful to customers are open to the imagination. This month, the Quebec fast-food chain Valentine launched a [pedometer](#) app that presents a coupon for a free poutine every time the user walks off the caloric equivalent of the dish (between 30,000 to 60,000 steps).

“This is essentially an opportunity for the brand to be in people’s minds on a daily basis,” said Alexis Robin, director of interactive at Montreal ad agency lg2, which developed the campaign. “The app becomes a media platform in itself.”

However, the number of advertisers who will have success convincing people to download applications just for the privilege of interacting with their brand will be relatively few. “Most smartphones are app cemeteries,” Mr. Robin said.

For most advertisers, it’s better to capture mobile users engaged in something they’re doing anyhow. Roughly 40 million photos are uploaded to Instagram via mobile every day, and advertisers have joined in, with brands such as Marc Jacobs, Starbucks and Red Bull posting photos and encouraging users to interact.

Recent advertising [partnerships](#) that television networks have signed with Twitter are part of an attempt to twin TV ads with those on the “second screens” – typically smartphones and tablets – that people are looking at while also watching television.

The San Francisco-based startup Kiip, founded by Vancouver native Brian Wong, sells advertisers the right to place their products as rewards within existing mobile games and apps.

The sports drink offer mentioned above – from popular app Map My Run – is one example. In January, Kiip announced it had received funding from advertising giant Interpublic Group of Cos. Inc.

Facebook has enjoyed steady growth in its mobile advertising since sales began in 2012. Research firm eMarketer [estimates](#) Facebook’s worldwide mobile revenue will pass \$2-billion (U.S.) this year.

The draw is the sheer amount of time people log on the social network: Facebook checks account for [one out of every four minutes](#) U.S. users spend on smartphones. Sponsored messages are designed to appear as part of the “news feed” that users willingly read every time they check in.

Monetizing mobile

The upheaval that the Internet has brought about in newspapers, magazines and other media is well documented. Publishers have complained about online ads being worth dimes, not dollars. But mobile's profit potential so far has been even more limited

If banner ads – whose effectiveness even on roomy computer screens is in question – do not translate on mobile screens, how do you even sell an ad?

A complicating factor is that there is no such thing as a single mobile experience: Tablet use and smartphone use are wildly different. A [study](#) by AOL and ad agency BBDO last year found that over half of “mobile” activity actually happens at home. While on-the-go activities such as navigating with Google Maps epitomize mobile use, “mobile” can just as easily mean curling up with a tablet to read a magazine article.

“That is two entirely different need states,” said Franke Rodriguez, president of ad agency Anomaly Toronto. “Most brands and marketers are more focused on the on-the-go because they’re trying to make their brands useful ... and meet people at the point of need.”

The problem is particularly keen for publishers, which have watched Web traffic from mobile devices skyrocket. USA Today was among the first newspapers to see its mobile traffic surpass online traffic from PCs. This week, the chief digital officer at Gannett Co. Inc., which owns USA Today and a host of newspapers, told an industry journal that mobile advertising is “our biggest challenge.”

“The sole issue that we should all be thinking about is how we are going to monetize as we move into mobile,” David Payne [said](#).

One way content producers can make ads more relevant is by using location-based and other data to better target consumers.

“The real magic bullet will be when somebody can really connect location-based experience with serving up ads,” said Karel Wegert, the vice-president of digital solutions at ad-buying company Media Experts.

Loyalty companies are betting they will be best positioned to make that work. Because they already have a relationship with customers, they can ask for permission to send an offer when they detect a frequent shopper passing near one of their stores, for example.

“Everybody has a price for their data,” said Asif Khan, founder and president of the Location Based Marketing Association in Toronto.

“If you can provide something that is relevant to somebody,

you can use their location

information. They won't mind.”

Still, the rise of mobile advertising raises abundant privacy concerns. But one industry observer suggests this quandary could be an opportunity to rethink conceptions of mobile advertising and the value of the data it relies on.

In a [report](#) this year, Drew McReynolds, a telecom analyst at RBC Dominion Securities, proposed that the industry could set up “a personal information exchange ... [to] pay consumers fair market value for personal information.”

People would get their own digital locker to store the personal information they choose to share. The exchange would pay a percentage back to the locker owners each time it sells their data to a marketer.

“This to me is what cracks the code, as opposed to taking what worked on the laptop or on TV, and translating it on the phone or the tablet,” Mr. McReynolds said.

The Big Mobile Lie: It's Not Really Driving Purchase

People Do Use Mobile Devices When Shopping, but Not Most of the Time

By:

[Sam Curtis](#)

Published: [July 02, 2013](#)

If you have anything at all to do with in-store shopper marketing, mobile is likely near the top of your to-do list, and you are surrounded by people **evangelizing** about its huge impact on shopper behavior.

Indeed, a quick search of publicly available research turns up the following claims: Four out of five consumers use mobile devices for shopping-related purposes; 46% have used mobile only in path-to-purchase; 89% of smartphone owners use their mobile while grocery shopping.

Unfortunately, most of this research is misleading, and often worse, a distortion of reality. Just because a shopper has used a mobile device while shopping at some point, does not mean she or he does it regularly. A deeper dig shows that shoppers use their mobile infrequently. And while mobile holds great potential to help drive purchase, a number of significant hurdles remain.

Our latest [Mobile Life study](#) of 38,000 mobile users in 43 markets across the globe, based on interviews between November and February, shows that globally, 34% of mobile users claim to have used their mobile in some capacity for a shopping-related activity while in-store. The figure peaks in South Korea, at 87% of mobile users.

But when we ask respondents whether they have used their mobile for specific category purchases, the numbers drop dramatically. On a category level: 2% recall having used it when buying OTC medicines; 2% when buying pet food; 2% when buying alcohol; 1% when buying tobacco.

On any given trip to the store, mobile is almost non-existent. Our in-store supermarket observations in the United States back this up. Of 1,000 aisle shoppers in a snack category, fewer than five shoppers interacted with their mobile device, and those who did were simply answering a phone call.

Mobile should be providing shoppers with innumerable benefits. When we asked mobile owners what services they wanted from mobile, they mentioned a range of benefits: 16% want to use mobile coupons to save money; 16% want apps to check product availability in store; 15% want services that can help navigate around the store; 13% want an app or website for on-the-go product recommendations and reviews.

But it's not clear that even if mobile offered these, they would be used with any frequency. Often shoppers' priority is the speed of the purchase, as opposed to the best deal. They will ignore better offers and choose the product they normally buy and are familiar with, especially in low-involvement categories, such as household products and dairy. We shop these categories so often and so habitually, that mobile services need to do something extra special to snap us out of habit.

Another challenge facing mobile is that often its services are too much trouble for a user to access. QR codes are a good example: it takes several clicks to get the information you want. Though QR codes have been around for some time, a report last year for [eMarketer](#) found that only 9% of consumers in the United States had used them in the preceding year.

We can identify three areas in which mobile needs to excel for its shopping services to be adopted en masse and used frequently: mobile must save shoppers time, money and angst.

While many mobile services target a clear need in these areas, the user experience often fails to deliver enough of a benefit. For example, many retailers have apps that deliver discounts to shoppers, but they often send offers that are not relevant to the shopper's needs and are delivered to the phone when the customer is not in the store. These apps need to become more intuitive.

Augmented-reality applications should also come to the fore. These services work directly from a phone's camera and overlay the digital world onto the real, helping you to see more information on products or find them in store. These apps require little effort or time to activate.

We know that shoppers will use their mobile in the store when they see a tangible benefit that matters to them. Shopkick is a great example of an app that delivers offers in a quick

and seamless way. You open up the app in store, and it then picks up an in-store signal and delivers offers relevant to that store. Aisle 411 delivers store maps to shoppers to facilitate quicker purchases, while delivering context-relevant offers.

Based on our behavioral research on shopper behavior, the following are critical to ensuring increased use of mobile in store:

Get quicker. Mobile services that can be deployed instantly and save time at shelf will bring benefits to the shopper and can also help fuel category growth. Mobile services that interrupt shoppers will have the opposite effect. A good example is Scandit, which allows mobile self-scanning and self-checkout for the shopper, eliminating the need to scan or pay for products at the end of the trip.

Focus on the shopping experience. Go beyond the deal and use mobile to deliver an improved shopping experience that inspires and saves time and money. A Woolworth's app from Australia, for example, allows you to customize your shopping list based on store layout to enable quicker shopping.

Tailor services to category dynamics. The average shopper in baby care spends nearly two minutes at the shelf, but in milk, the average time is 20 seconds. The relative benefit that any given service needs to deliver will differ by category.

Tailor services to channel. The shopper's mission varies by the type of retailer you are in, and is a critical driver of behaviour in store: are they stocking up, or just quickly buying one item? In hypermarkets, for example, where we see a lot of stock-up missions, shoppers will see value in apps that provide shopping lists or coupons with promotions on regular purchases. For single-item purchases in a convenience store, being able to quickly find the product they want and mobile wallet services will be more relevant.

June 25, 2013 -- By [MikeR](#)



eMarketer estimates that mobile ad spending will spike from \$8.4 billion in 2012 to \$37 billion in 2016. But in order for the marketing community, which is presently awash with optimistic predictions, to continue investing in the mobile channel, the return on this investment of time, treasure, and faith can no longer be as murky as in years past.

“The most significant issue for ad buyers,” reads a new report from MIT Technology Review, “is that they don’t know if the ads are working, like they do on desktop computers.” The report cites data from the Interactive Advertising Bureau, which indicates that all media depend critically upon reliable metrics for audience reach.

So is it really possible to take the guesswork out of mobile advertising? AD-X Tracking thinks so, and the company is opening operations in the United States to prove it. The AD-X Tracking platform is perfectly positioned to capitalize on these market trends by delivering a comprehensive solution for tracking mobile campaigns for publishers, ad agencies and brands.

A full-service platform, AD-X Tracking monitors clicks, installs and in-app events to provide up-to-the minute intelligence regarding mobile app usage and engagement.

The technology lets users track, monitor and report mobile app or websites success. Available across every mobile platform, the solution provides global insight into an app campaign’s results from advertising sources, including social channels, mobile search, banner ads and emails/SMS. Other popular platforms include mobile web solutions, self-hosted sites, iTunes, Google Play, Amazon, server-to-server tracking and more.

“We’re helping advertisers pinpoint which part of their mobile advertising spend is delivering the best possible results so they can optimize their campaigns and reach the best possible audience every time,” says Phil Jones, Chief Technology Officer at AD-X Tracking. “The market for mobile advertising continues to explode and our success stems from the value that we deliver to our clients. We’re excited to open up shop here in the U.S. and look forward to the opportunity to grow our footprint around the world.”

Where are listeners using radio apps? Most likely at home. AOL and ad agency BBDO teamed up with Arbitron Mobile to look at how people are interacting with mobile media. Their findings show mobile isn’t exactly living up to its name. “Sixty percent of ‘mobile moments’ happen at home,” AOL VP of consumer analytics and research Christian Kugel told an Advertising Research Foundation (ARF) conference yesterday in New York. “In mobile consumer experience, it tends not to be as mobile as we think it is,” he added. In fact, the research shows 68% of all mobile minutes occur in the home. He said “me time” usage also accounts for nearly half (46%) of all smartphone app motivation, averaging 864 minutes per month. Those “me time” experiences include passing the time, relaxing, and alleviating boredom. Kugel said the companies were

able to see app usage peak in the morning and evenings, and trail off during workday hours. Here’s how the study was done: Researchers at InsightsNow had 1,000 smartphone users complete a seven-day diary and make videos during the day to track how they were using their handset. It was followed up by in-depth interviews. Arbitron Mobile was used to track a mobile panel for a 30-day period. The results are extrapolated from a database of more than 3,000 mobile interactions or moments. Google director of advertising research Gunnard Johnson said that less-than-mobile smartphone usage fits what his company has also discovered — revealing 68% of Google searches are done at home.

Consumer spending on mobile Net access will surpass that on home broadband connections this year, according to consulting firm PricewaterhouseCoopers.

As temperatures soared into the high 80's Monday, University of Pennsylvania sophomore Dylan Hewitt, 20, of South Glens Falls, NY, gets some reading done on his iPad as he lays in the grass on the University of Pennsylvania campus in Philadelphia, PA. (Photo: Photo by Eileen Blass, USA TODAY staff)

Story Highlights

- Consumer spending on mobile Net access on pace to surpass home broadband this year
- Mobile Net advertising a high point, too, expected to go up 32.5%, while overall ads rise 13%.
- Video games, movies, TV, radio and book spending also to see small increases

Having the Internet with you on the go is so essential, that in four years, Americans will be more likely to have a mobile Internet device than wired home broadband, forecasts a new report.

This year, consumer spending on Internet-connected smartphones, tablets and other devices will surpass home broadband service fees for the first time, according to PricewaterhouseCoopers' "Entertainment & Media Outlook 2013-2017" report. In four years, nearly 286.7 million in the U.S., or 87% of the population, will have mobile Internet devices, while about 85% of homes will have broadband.

Mobile Internet access spending will top \$54 billion in the U.S. this year, compared with \$49.6 billion in home Internet spending, the consulting firm estimates in the report, out today. In 2012, home Internet spending (\$46.5 billion) slightly outpaced mobile (\$44.5 billion).

"We see mobile growing at a much more pronounced rate than broadband, because we are getting toward the saturation point (on home broadband)," says PwC partner Sean De Winter. "Mobile Internet penetration is screaming through the roof."

Consumer adoption of digital devices is helping drive growth across the entire entertainment and media spectrum. Total spending on Internet access (home and mobile) will see the biggest growth, up 11% in the next four years. But spending on video games, movies, TV and radio -- all delivered digitally, too -- will also rise.

As more content is consumed on portable and mobile devices, these so-called second screens gain even more importance from media companies and advertisers.

Mobile Internet advertising is the fastest-growing portion of Internet advertising and is expected to increase more than 32% in the next four years, reaching \$13.7 billion, PwC says.

"We see there's great opportunity in mobile advertising," DeWinter says. "More and more, the content and distribution is recognizing the importance of the consumer in the ecosystem. That is not dissimilar to what we've seen in the past, but we continue to see it ramp up in speed and pace."

PwC's finding jibes with other analysis tracking the growth in Internet-connected devices, or the so-called "Internet of Everything." The more than 10 billion devices wirelessly connected to the Internet today will increase to 30 billion by 2020, projects U.K.-based ABI Research.

Behind Internet advertising and Internet access, spending on video games is expected to see the next-largest growth. Projected spending on games will surpass \$14.2 billion in 2013, rising to \$182 billion in 2017.

Consumer spending on movies, pay-TV and music will rise slightly, while spending on magazines and newspapers will continue trending down.

Mobile devices are transforming the home entertainment experience, as well. With more TV viewers using phones and tablets as they watch, "when does the first screen, the TV, really become the second screen?" De Winter says. "You see more and more engagement and the ability to actually target what consumers are doing on the second screen because it's a more interactive device."

While the big-screen TV will remain a key part of the home entertainment equation for many years, "The fact is that (TV) is being consumed in such a different way," he says. "And it changes every day with all the social apps out there."

Mobile Ads Don't Just Annoy, They Betray

We Love Our Smartphones Intimately, and Uninvited Pitches Feel Like a Violation

By:

[Ari Jacoby](#)

Published: [June 03, 2013](#)

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ARI JACOBY

A smartphone is not just a device, an appliance or the "third screen." It's an intimate relationship. It is yours, in a way that no other object you own is ever likely to be. We don't just love our smartphones. They love us back.

Feeling lonely? Your smartphone will get you to a dating site. Hungry? It will order take-out. Thirsty? It will buy you a coffee at Starbucks. Need a ride? It will call you a cab. Your smartphone seems to care about you in a way that almost nobody but your mother ever has: it will tell you whether you need to wear a sweater or sunscreen.

Your smartphone is in your pocket, often near your heart. There's a good chance it's the last thing you see before you close your eyes at night and the first thing you see when you wake up. You twitch when it's not with you; the idea of losing it is unbearable.

And then comes ... advertising. The uninvited guest.

Suddenly, your smartphone -- which belonged to you, responded to your gentle touch, obeyed your desires -- is an agent of someone else. Someone with an agenda. Someone who wants your attention, and your money. This isn't just an annoyance; it's betrayal! Et tu, smartphone.

Your fingers turn fat and clumsy; they no longer cooperate. You find yourself clicking things you didn't mean to click, opening web pages you didn't mean to open. You squint and curse, trying to X out of videos and come-ons and blandishments so you can make your phone yours again.

"We know where you are at every second," argues mobile advertising, "but we're not stalking you. We only want to give you what you want. Let us do things for you. Let us offer you deal after deal. We will follow you everywhere. We want to really know you you, even if you don't want anything to do with us."

Sorry, but NO -- you can't have a relationship with me if you don't create real value. We can't have a relationship if you're going to put your needs ahead of mine by bombarding me with tiny banners I didn't ask for. If you really want to be part of the intimate relationship I have with my smartphone, you need to honestly care about me the way my smartphones does: you have to make my life easier, my experiences better.

Can you do that, mobile advertising?

How? With ads that are native to the mobile experience. Ads that work just as well on any screen size, and aren't clicked accidentally. Ads that provide a clear value exchange, so that when a person interacts they get something they want in return.

In the future mobile advertising won't just exploit the intimate relationship people have with their smartphones. It will have to respect it, and build on what works. There has to be a better way. And my guess is it's coming soon

Are You Wasting Money on Mobile Ads?

Advertisers Still Paying for Ads That Never Display. Industry Turns to Tougher Standards for Legitimacy.

By:

[John McDermott](#)

Published: [May 22, 2013](#)

The debate over the value of mobile advertising typically focuses on what effect, if any, it has on brand lift, sales and getting consumers into stores. But advertisers have been wasting money on mobile in the literal sense because a significant portion of the ads they're paying for never properly display on devices.

Now, networks and publishers are being pressured to more accurately report how well they deliver ads in an attempt to legitimize the industry and increase mobile-marketing spending.

Apple's iAd earlier this month became the first major mobile-ad network to be fully accredited by the Media Ratings Council as adhering to the standards the Interactive Advertising Bureau and Mobile Marketing Association jointly released earlier this year.

During the auditing process, iAd demonstrated accurate reporting of impressions, taps, tap-through-rate, visits, views, views-per-visit, average time spent, conversions, unique devices and unique device visits. Apple said its mobile ad network is more streamlined than others and that it only charges for ads that fully render on users' screens.

"We were favorably impressed with the range of metrics that iAd provides and their quality," David Gunzerath, senior VP and associate director of the MRC, said. "It gives the buy and the sell side confidence that the measurements are accurate and can be relied upon as currency."

The announcement could benefit the entire mobile advertising industry at large by pressuring networks and servers to standardize how they calculate and report how well they're executing their clients' campaigns. **The lack of a widely adopted reporting standards has resulted in advertisers spending money on ads that smartphone owners never see.**

A handful of firms are going through the accreditation process, including Google's DoubleClick.

Mobile-ad network Millennial Media and mobile-ad server MoPub, are weighing whether advertisers care enough about MRC accreditation before they go through the process, which involves an in-depth audit and costs more than \$100,000.

For advertisers, the wasted dollars are difficult to quantify. **Digital analytics firm ComScore recently found that about 30% of desktop ads aren't viewable. And due to an array of technological complexities, the number stands to be even higher on mobile.**

Serving a mobile ad involves a publisher sending an ad request to its ad server, that ad server sending a request to a third-party ad server, the third-party ad server making a request for creative and the creative server delivering the ad unit to the device. (If this sounds complicated, it is.) Couple all that with mobile-connectivity issues, and it's easy to understand why a mobile ad might not render.

Still, publishers typically get paid regardless of whether the ad ever appears because ad servers usually use "server-side counting," meaning it's counted as soon as an ad impression is requested. To receive the MRC seal of approval, mobile ad networks **and servers need to use "client-side counting," tallying an impression only when the ad is successfully delivered to the device.**

DoubleClick is being audited for MRC accreditation and executives said its mobile-ad serving is steadily improving, especially when using its DoubleClick for Publishers Premium service. Google declined to comment.

Millennial lets its advertiser clients choose whether to use client or server-side counting. Jim Payne, CEO of the third-party ad server Mopub, said it doesn't work with publishers until they get their discrepancy rate -- the gap between the ads a marketer paid for and the ads that never rendered on a device -- to less than 5%.

Eric Litman, CEO of mobile-ad serving startup Medialets, entered into the MRC accreditation process because he thinks it's integral to convincing marketers that mobile is a worthwhile advertising channel and, in turn, inducing more spending.

There's an onus on publishers to improve as well, since they're the primary beneficiaries of these wasted ad dollars.

The Weather Co.-which had the 14th most unique mobile visitors in the U.S. in March, according to ComScore-said it compensates advertisers for any discrepancies by "overbooking," or offering them more ad inventory than they paid for with the understanding that some may fail to render. The company also said it improved its discrepancy rate from more than 20% to less than 10% after it switched to using DoubleClick for Publishers Premium for its ad serving last fall.

Weather Co.'s VP-digital monetization echoed the need for ad counting to be standardized.

"There's no agreement about how to measure it, and that's just not fair to anybody," he said

Why Cross-Screen Marketing Will Be A Game-Changer For The Mobile Industry

PETER CROCKER TODAY 3:35 AM

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Mobile remains a fraction of ad spend for many large advertisers.

It's not that brands don't understand the mobile revolution.

They know that consumer time is splitting across devices as smartphones and tablets occupy more and more of our attention.

Average M



The question ad buyers have is whether advertising across screens can really help drive forward an overall campaign goal better than TV-only or traditional online campaigns.

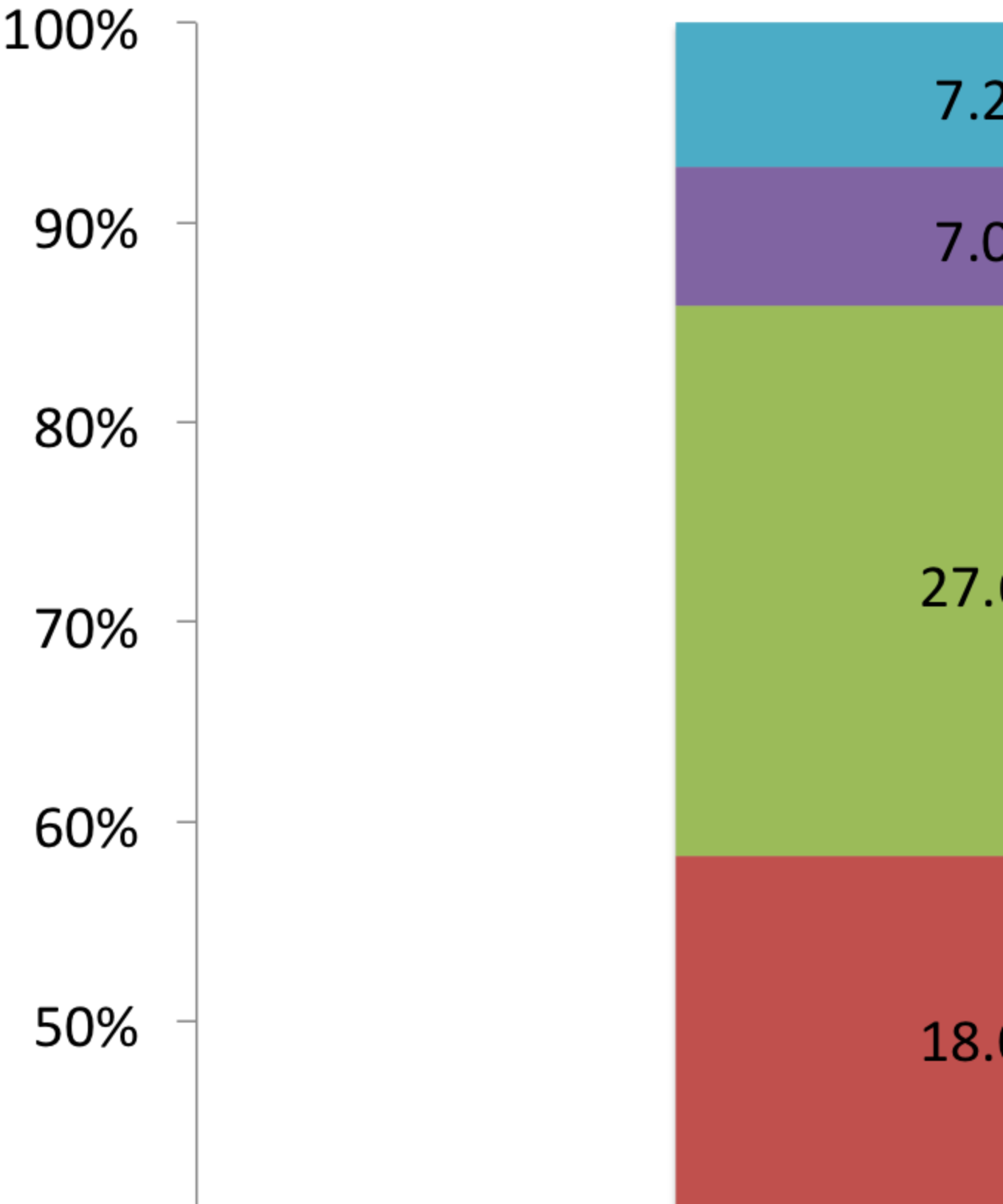
In other words, is it worth the trouble?

A growing number of mobile ad industry companies are arguing that a cross-screen approach integrating mobile *is* more effective.

They're betting that with their cross-screen pitch — and with ad platforms that can deliver premium impressions at scale — they can sell marketers on mobile.

We believe cross-screen will in fact become many large advertisers' route into mobile *and* nudge them toward more significant spends on online and social media too.

Share Of



Some mobile analysts mistakenly believe dollars have to flow into mobile in amounts proportional to the amount of time consumers are spending there. That's not necessarily true, given the constraints of a small screen and the hummingbird-like behaviour of mobile audiences, who flit from one app to another in a matter of seconds.

But there is a powerful argument to be made that ad campaigns should reinforce messages across devices and screens in a way that feels natural to each medium.

But there is a powerful argument to be made that ad campaigns should reinforce messages across devices and screens in a way that feels natural to each medium.

"It's a big opportunity, because marketers want to go cross-screen," says Eric Franchi, co-founder of digital advertising company, [Undertone](#). "Most of our campaigns are cross-screen. For one, it creates a very easy path for marketers to dip their toes into mobile."

But there's a measurement problem. In order for a cross-screen paradigm to really take hold, the ability to track users and measure results across screens needs to improve.

In this report, we'll take stock of cross-screen marketing, and dig into the measurement problem, offering a side-by-side comparison of the different tracking technologies on mobile.

- Cross-screen marketing demands patience and creativity in efforts to reach audiences across a fractured media landscape. But the payoff makes it worth it.
- Because of the technical complexity involved, cross-screen creates plenty of opportunities for companies to help advertisers design and implement campaigns.
- The problem of attribution — knowing which ad on which device generated a sale or other desired actions — is the greatest barrier to cross-screen.
- Much of the data needed for effective targeting is dispersed in different databases or belongs to different players in mobile, digital, and broadcasting, limiting the ability of big data tools to predict how users will interact with content across devices.

[Click here for all the charts and data associated with this report in Excel→](#)

[Click here for the PDF version of this report→](#)

Whether it's anonymous real-time tracking of individual users and their behaviour, or aggregate measurements of audiences after a certain time interval, data is essential to success.

Synergistic Screens

Audiences are increasingly becoming digitally agnostic. This means they are willing to consume the same content — perhaps presented in different manners — across screens.

They gravitate to whatever device is most appropriate or convenient given the context they find themselves in. So, at home after dinner, a 32-year-old male might prefer to watch a show on his large-screen TV. But at bedtime, he might finish watching the same programming on a tablet.

Top Activities

100%

90%

80%

70%

60%

50%

81%

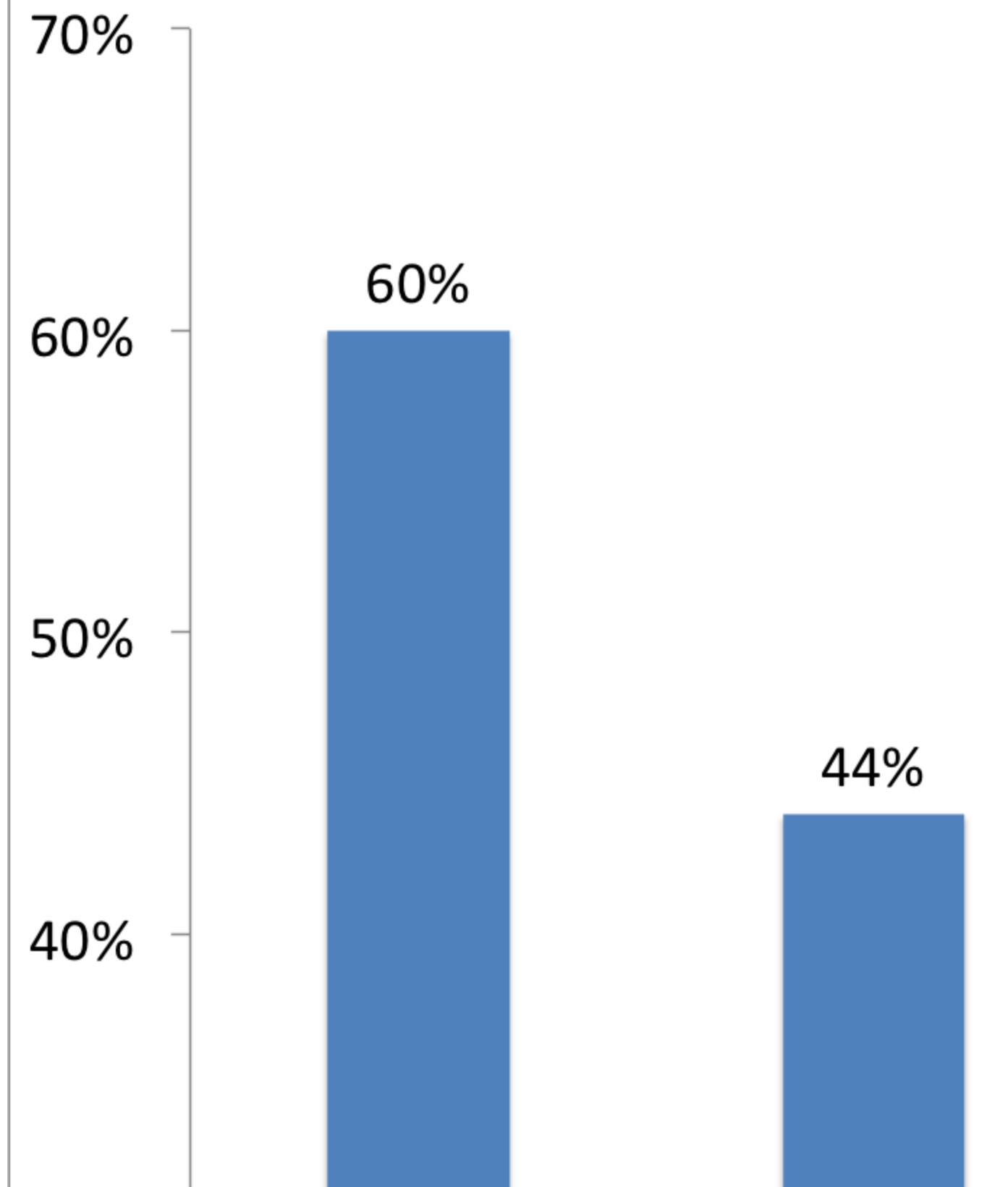
72%



He may even catch the tail-end of the show or previews of the next week's episode on his smartphone on the way to work the next morning.

It's also increasingly the case that users are leveraging multiple devices to accomplish their tasks and goals, such as shopping for a car.

Top Activities



The manner in which devices are used together are beginning to multiply and become a more ingrained part of consumer behaviour. We already habitually move across four screens, and there may be another screen on the way in the form of smart eyewear or wrist wear. The opportunities for cross-screen marketers will multiply as we move across screens to accomplish tasks, or use them simultaneously.

There are already contexts in which consumers are known to habitually use two devices simultaneously.

For example, it has become a widespread habit to watch TV while using a tablet or smartphone.

That behaviour has translated to a growing spate of so-called [second screen and social TV marketing campaigns](#). These campaigns, by definition, involve at least some of an advertiser's budget allocated to TV and another part to PC and/or mobile.

Monthly Uniques (Millions)

14

12

10

8

6

In these campaigns, users don't simply receive a video version of a TV ad on their device, or a mobile banner ad that ties in with a TV or online campaign theme.

In [a second screen approach](#), they're prompted to open a specific app like [Shazam](#) or [Viggle](#) from the TV screen, or they're invited to participate in social media chatter through the use of hashtags and themed online forums.

But mobile usage that is simultaneous with TV viewing is only one corner of the cross-screen world.

In general, any campaign that delivers similar creative elements and messaging across TV, PC, and mobile might be considered cross-screen.

Cross-screen marketing tactics are already achieving real results.

Cross-Screen

100%

90%

80%

70%

60%

50%

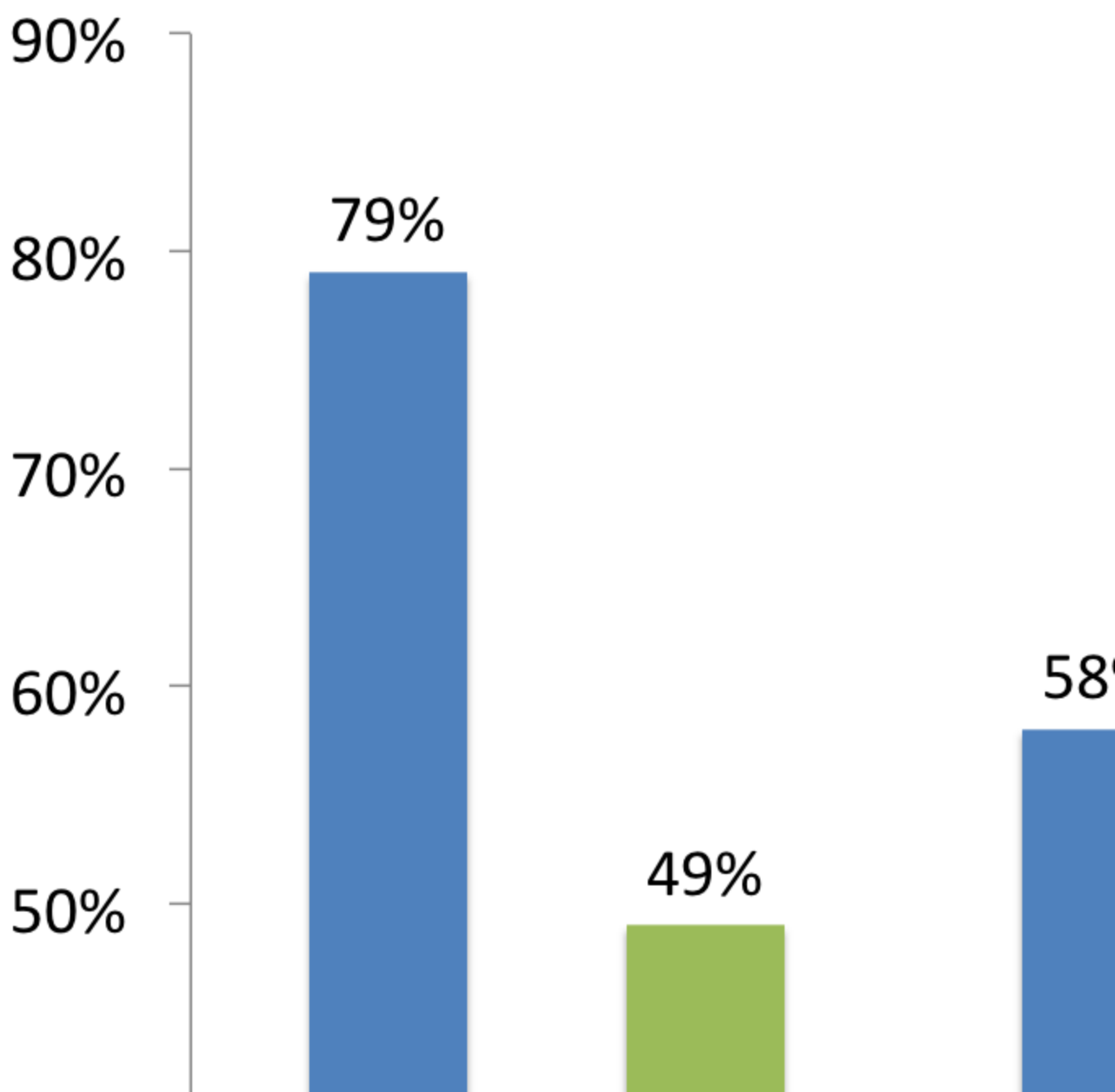
43%



AdColony, a mobile video ad company, commissioned Nielsen to conduct a study measuring the effectiveness of a cross-screen marketing strategy for a client's consumer packaged goods brand. They targeted one set of users with just a TV ad about the brand, and another set of users with a combined TV, iPad, and iPhone campaign.

The results, across five frequently-cited brand metrics, were pretty clear.

Comparing T



Unaided brand recall was 43% for audiences who had been exposed to the cross-screen campaigns, and only 6% for the TV-only campaign.

Purchase intent was 18% for the TV-only crowd, and 31% for the cross-screen campaign's audience. (See chart, above.)

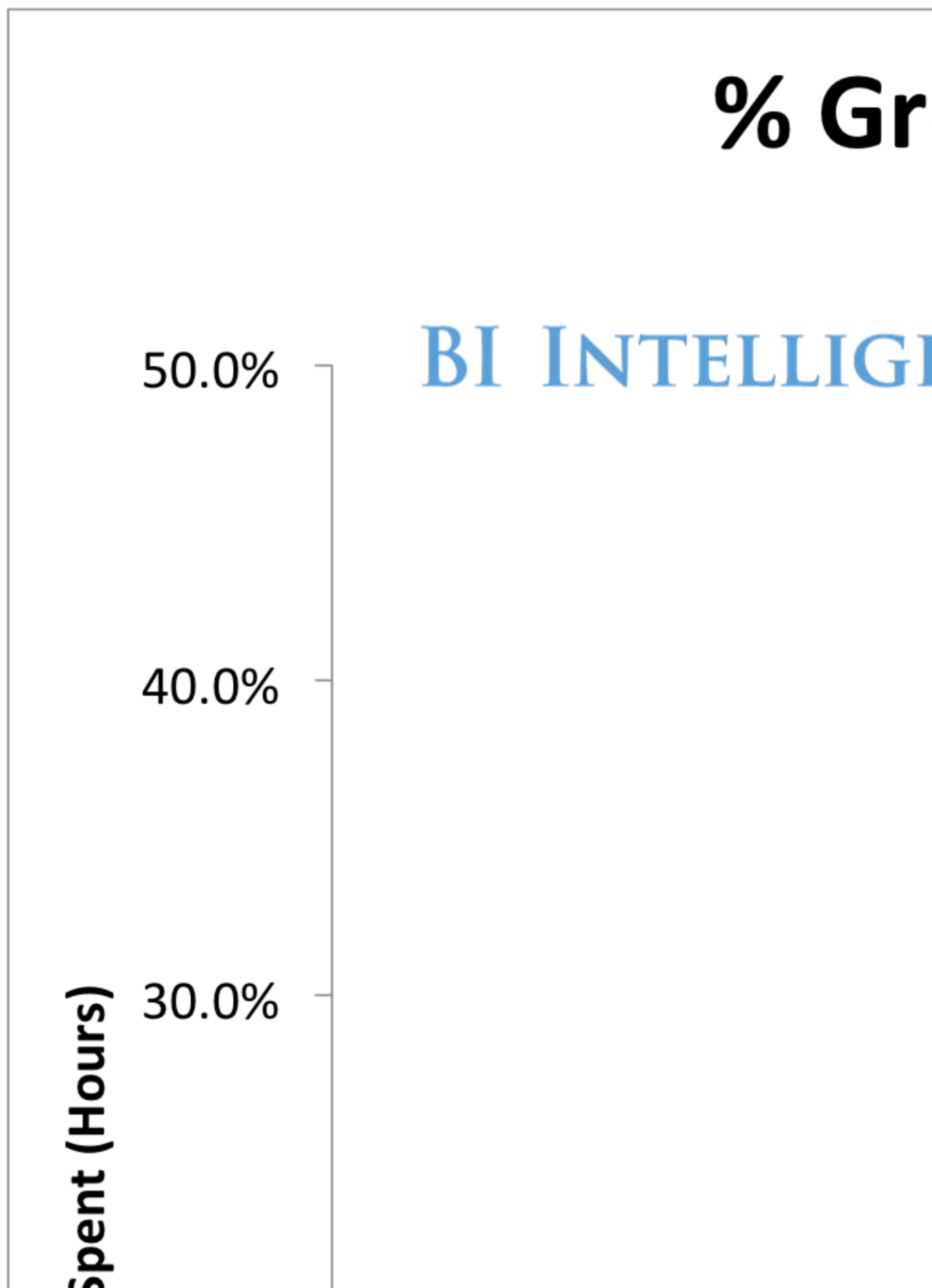
Several additional strategies have proven to be very powerful and might be paired routinely with cross-screen approaches.

- Cross-screen retargeting: In retargeting, users are tracked and presented ads from sites they have visited in the past. While this technique is now familiar on PCs, it's only recently that retargeting across screens has become feasible. Drawbridge, a startup that retargets from desktop to mobile, claims they have achieved a jump of 338% return on investment for certain clients when using cross-screen retargeting.
- Frequency capping: Where an individual is only presented an ad a defined number of times in a time period to avoid overwhelming and desensitising prospects.

Now You See Me, Now You Don't

The effectiveness of any advertising campaign rests on a brand's ability to effectively deliver their message to a target audience.

Brands need to know how and on what devices target audiences are consuming content.



They need to track and measure a single individual's responses to ads across multiple screens and attribute any results — such as conversions — to the appropriate ad placement.

This is important not only so brands can decide how to allocate their budgets as consumer media habits change, but also to refine campaigns and improve their strategies.

The world of measuring consumers as they move across screens involves a combination of new technologies and tried-and-true methodologies.

Some of these solutions are about measuring audiences in the aggregate, others are about understanding the specific behaviour of individual users or certain demographics.

Simul

BI INTELLIGENCE

... A Tablet While Watching TV ...

35%

30%

25%

20%

15%

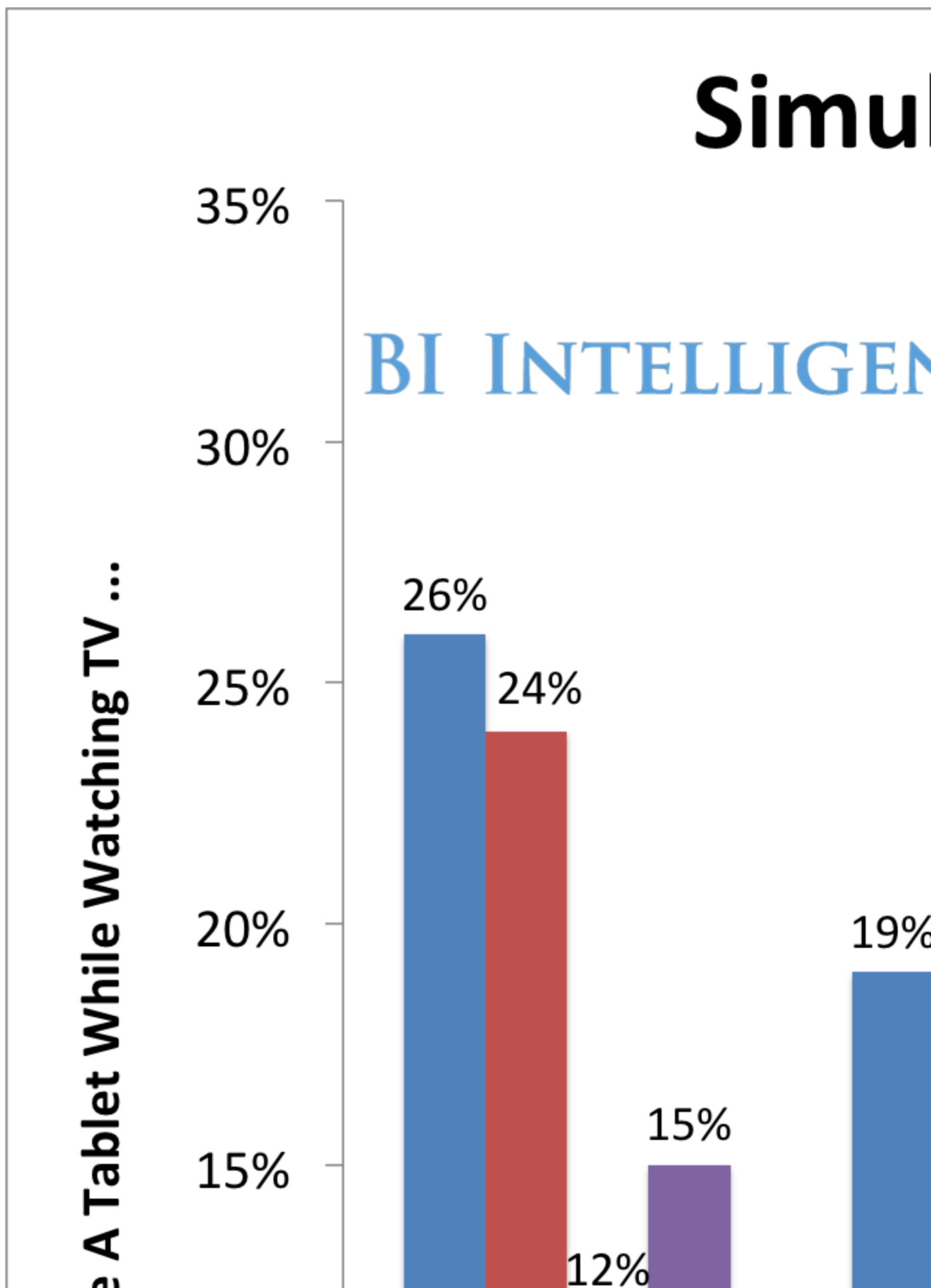
26%

24%

12%

15%

19%



The technical hurdles are formidable.

Cookies used to track user clicks on PCs do not migrate across devices.

Simply tracking user behaviour *within* the mobile space can be a challenge. For example, a user on a single device using an app and a mobile Web site can look like two separate individuals to some ad networks.

Privacy concerns are also important factors. Typically, users are tracked anonymously, meaning their devices are issued identifying numbers and tracked without the data being matched to their names, addresses, or phone numbers.

However, because hackers have succeeded in the past at pairing device ID numbers to specific user information, consumers are justifiably nervous about mobile tracking.

We'll further address privacy later in this report.

Below are the main cross-screen audience measurement and tracking techniques in use. Some of them are only recently available on mobile, or are available in a patchy manner.

For example, Nielsen only [introduced](#) in-app surveys about ad effectiveness earlier this year.

Audience Measurement

- Surveys: Consumer surveys about media consumption habits or ad campaign effectiveness can be conducted via phone, online, or in-app. In emerging markets, the most accurate surveying is still done face-to-face, because many consumers outside of cities don't have personal access to the Internet or even phone lines.
- On-device meters: This is how TV audience measurement still works. In TV markets, a few households have set-top boxes that log their viewing habits so measurement firms like Nielsen can extrapolate the reach of programs across millions of households. Only large measurement companies have the resources to implement similar on-device meters for mobile. Such a tactic wouldn't be effective for gauging the reach of very finely targeted mobile marketing efforts.
- User panels: Panels are similar to surveys with the difference that they are a smaller group of respondents, often selected for their demographics, who allow their behaviour and opinions to be tracked in more detail. This technique might be effective to follow the qualitative impact of a cross-screen campaign on a target audience over time.

Tracking






- Cookies: This is the most contested area of cross-screen tracking. Third-party cookies are increasingly under fire from consumers and the makers of desktop and mobile Web browsers, such as Apple (Safari) and Mozilla (Firefox). Cookies enable advertisers and publishers to track user activity as they move across the Internet and target them with relevant ads.
- Algorithmic models: These can be used in conjunction with cookies, or without them. Powerful algorithms might profile specific users based solely on device identifiers generated when a user is in a certain app or mobile website. See “Device Fingerprint,” in the table on mobile tracking methods, below.
- Mobile device ID schemes: With the exception of device fingerprinting, which is algorithmically driven, these schemes create a device-specific number that will identify your phone wherever it goes, across apps, mobile browsers, etc. The main solutions are summarized in the table at the bottom of this section.






Overall the cross-platform audience measurement market is led by large players with significant resources: comScore, Nielsen, and the like.

The tracking industry is still in flux. On PCs solutions are far more evolved. The situation is much more confusing on mobile, with an array of startups and young companies making claims and counter-claims about the quality of their technology, its ability to migrate across platforms and devices, and the strength of their respect for user privacy.

Mobile Tracking

Below are some of the leading solutions for tracking on mobile, most of them device ID schemes.

| Technique | How it works | Privacy | OS Specific? | Accuracy | User control |
|--|--|--|------------------|--|---|
| UDID (Apps cannot collect as of 5/1/13)  | Was the standard method for tracking installs, time-spend, this ID is unique to device | Hackers were able to associate UDIDs with personal information | Apple | Doesn't change even if devices are transferred to another user | Persistent throughout of the device, users were able to opt out of tracking |
| MAC Address  | Unique to devices, works similarly to UDID | Can be protected with encryption, but some have found ways to hack it | No | Will not change with device transfer | Can't be erased by the user |
| OpenUDID  | Creates unique identifier through device cut-and-paste function | It tries to offer more privacy protection than UDIDs, but still vulnerable | No (Open source) | Accurate | Users can opt out and ID can be removed and regenerated |
| Open Device ID Number (ODIN)  | Unique to a device since it is derived from devices' MAC address | Unique to the device but designed to not reveal device specs or user information | No | Only works with devices that have Wi-Fi | Users can opt out |
| Cookie Tracking  | How cookies work on desktop | Privacy concerns persist around cookies | No | Hard to attribute conversions when multiple ads are clicked | Tracking data is lost when cookies are cleared |

| Technique | How it works | Privacy | OS Specific? | Accuracy | User control |
|---|--|---|--|---|--|
| TRUSTe Mobile Ads  | Integrated into apps | Truste provides a layer between consumers and tracking tech | No | Accurate | Users can opt out and control how much data is collected |
| Apple IFA & IFV  | Placed on apps from from a single vendor to track activity on a device for all their apps | Designed to improve on UDID and provide for anonymous tracking | Yes | Can be cleared when device is transferred to new user, better matching data to user | Non-permanent identifier, and is an opt-out for users |
| Android ID  | Unique ID of device associated with an anonymous ID for tracking and displaying ads | The Android ID is linked to an anonymous ID for a double layer of anonymity | Yes | There are known bugs in some versions of Android | Persistent until factory reset. Users can turn off ad-tracking in settings |
| Device Fingerprint  | Anonymously collected if two events are registered on an app's servers that originate from a device with the same characteristics, and are highly correlated | More anonymous since users are tracked not on their devices but by their actions and data generated | No | Based on algorithms, limiting their accuracy | Limited control for user, apart from their decision to use or not use certain apps |
| Audio Fingerprint  | Using the phone microphones, apps can determine the TV shows a user is watching through audio cues | No device data is collected. Ads on mobile are presented based on environmental audio cues | Many TV-watching companion apps are using this technique | 'Inaudible' audio cues can precisely trigger ads simultaneously on mobile | Users have to manually download and install the app or opt-out of targeted ads |

Privacy Issues

Apple has now phased out the use of UDID as a tracking method due to the fact that users can't control how they are being tracked. As mentioned above, there's also the worry about a hacker being able to associate the UDID with personal information. Industry standards bodies and regulators have pushed for more user control over tracking and methods, and more anonymity. Users are also demanding more control over how they are tracked.

TRUSTe, a provider of privacy-friendly tracking services, found that 74% of consumers feel it is very important to know what personal information mobile apps collect.

Advertisers might fret about the lack of a “universal cookie” on mobile, but from a consumer perspective, there’s also no way to reliably know how — or by what party — they are being tracked on mobile devices

Device fingerprinting vendors such as Drawbridge have partnered with TRUSTe to enable users to opt out of tracking.

The Attribution Chasm

The process of purchasing ad space across multiple screens is challenging. Metrics and business models differ across mediums, adding to the complexity.

In the digital world ads are usually priced according to clicks or impressions while in the TV industry ads are priced on gross rating points (GRP). Vendors such as [JumpTap](#) and [24/7 Media](#) are just coming to market with solutions that enable brands to purchase ad space across multiple screens at scale from a single vendor. [TapAd](#) is also a player in cross-screen ads.

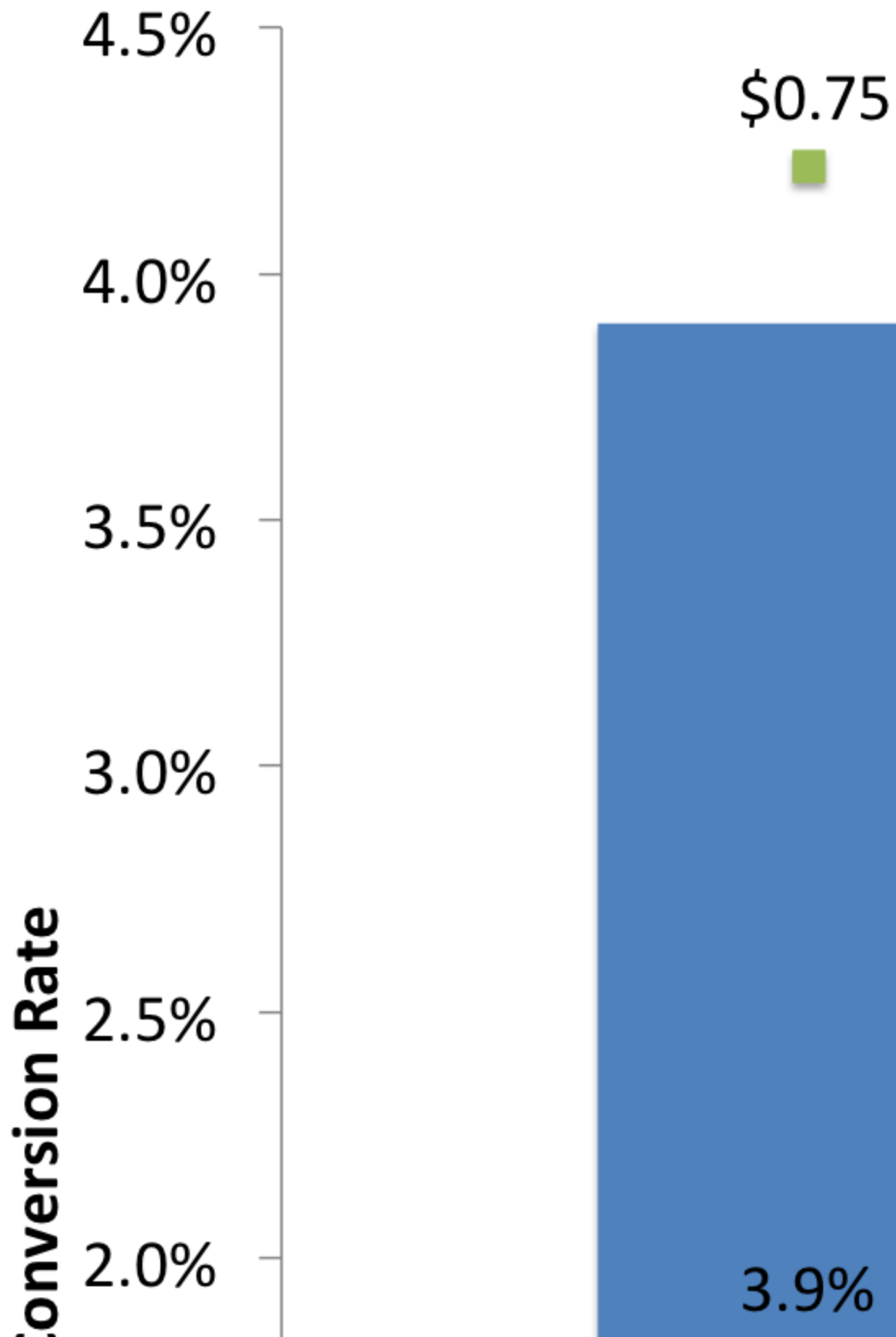
Copy and content needs to be tailored so that it doesn’t appear sloppy or buggy on devices with various screen sizes and operating systems. If a campaign includes an interactive element, a mobile app may be required, and that means apps built or configured for various mobile operating systems.

If mobile web pages are used, responsive web design can be leveraged to optimise content so that it renders effectively across various screen sizes.

The largest barrier to effective cross-screen advertising is the proper measurement of mobile advertising. Marketers refer to it as the attribution problem. Particularly on mobile, it’s not always clear when ads lead to sales or conversions. Facebook, which has a lot riding on mobile advertising, has been very vocal in claiming that conventional metrics like click-through rates and impressions don’t adequately represent the value of a mobile ad.

It’s likely true that mobile ads often lead to sales offline or on other devices, and these sales aren’t taken into account when advertisers evaluate the effectiveness of ad campaigns. That means mobile ads are persistently underpriced relative to their real impact.

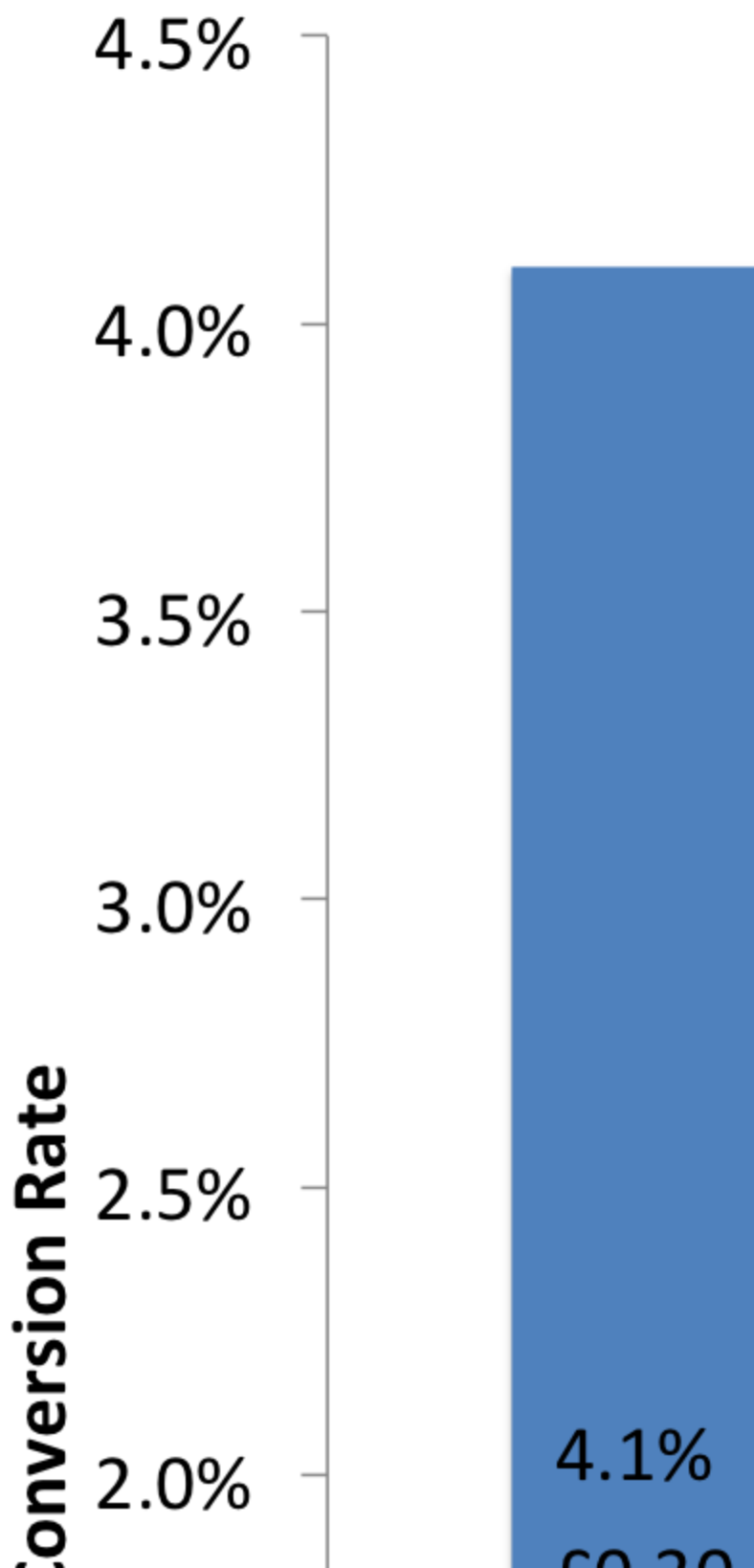
Paid Search



Google has the same complaint in the world of paid mobile search ads. (See charts, right.)

Every large player in mobile advertising is eager for solutions that will accurately attribute conversions that originate on one device but are completed on another.

Conversion Rate



The limits of mobile ad attribution have in fact been a barrier for investments by big brands in mobile, but the industry is working to standardize attribution practices.

In March 2013, the Interactive Advertising Bureau (IAB), Mobile Marketing Association (MMA), and Media Rating Council (MRC) released a framework for measuring mobile Web ad impressions.

THE BOTTOM LINE

- The technical issues facing cross-screen marketing and measurement are profound. To a worrying extent, consumers disappear off-radar once they enter the mobile space. The mobile piece of cross-screen won't take off until these issues are resolved.
- Paired with the technical headaches is a bewildering fragmentation problem. There are dozens of tracking, privacy, and audience measurement solutions, particularly on the mobile end of things. There are multiple databases with disparate data points on the same users.
- If brands place lower values on mobile ads, it is in no small part because they can't effectively measure the mobile component of cross-screen campaigns.
- Intermediaries and solutions providers are in a race to provide the technical solutions that will allow marketers to integrate mobile seamlessly into cross-screen campaigns and properly attribute the results achieved.

Mobile Becoming Moms' Daily Shopping Companion

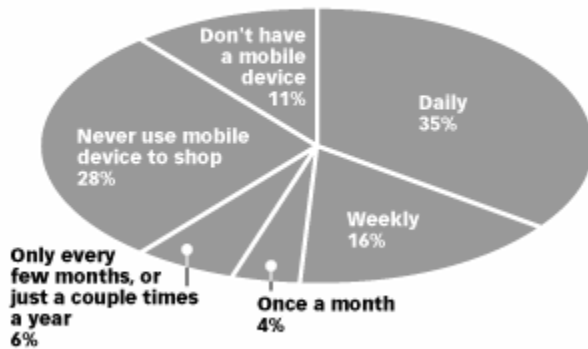
MAY 21, 2013

Clothing and beauty were top mobile shopping categories

There is no question that mobile is becoming an essential shopping tool for many US moms. According to a March 2013 survey from retail solutions company [Alliance Data](#), more than half of surveyed mom internet users reported using their smartphone or tablet at least weekly for some aspect of shopping, whether it be research or buying. And 35% of respondents said they used their device daily for shopping purposes.

Mobile's usefulness for shopping is easy to see. Convenience and a better ability to price compare were the top reasons moms' reported using their device as they moved through the purchase funnel.

US Mom Internet Users Who Use a Smartphone/Tablet as Part of the Shopping Process, by Frequency, March 2013
% of respondents



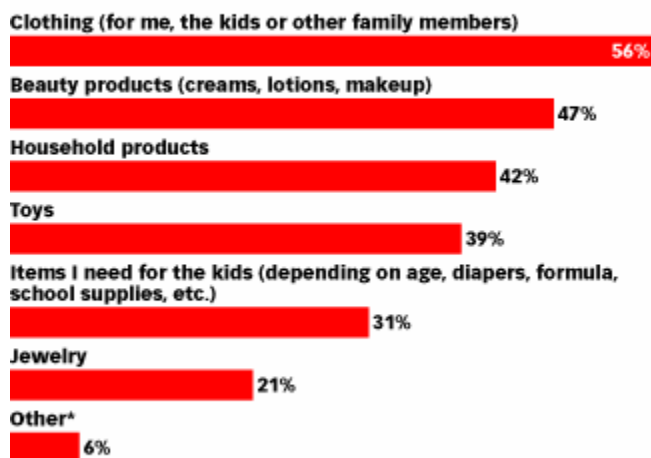
Source: Alliance Data, "The Mobile Mom," April 11, 2013

156984

www.eMarketer.com

Clothing and beauty ranked as the top product categories for which moms shopped on their smartphones and tablets, at 56% and 47%, respectively. Household products ranked third, researched by 42% of respondents, a significant figure for CPG brands, [which have already moved quickly into the mobile advertising space](#).

Product Categories for Which US Mom Mobile Shoppers Use Their Smartphone/Tablet to Shop or Research, March 2013
% of respondents



Note: *e.g., electronics, groceries

Source: Alliance Data, "The Mobile Mom," April 11, 2013

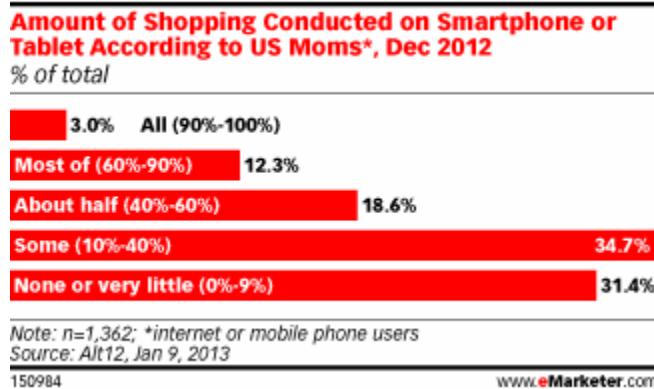
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www.eMarketer.com

Showrooming—the practice of going into stores to compare products and prices, often using mobile to shop around—is common among moms, as well. At both electronics and big-box retailers, half of mom mobile shoppers surveyed said they used their smartphone

or tablet to look up product and price info. This was slightly less common at clothing, grocery and shoe stores, but more than one-third of respondents still had shopped at each of these locations using mobile devices.

However, mobile is not the primary method US moms prefer for shopping. Only 11% of respondents said this was the shopping method they would choose, if given only one option. And according to December 2012 research from parenting app company [Alt12](#), about two-thirds of moms said they did less than half of their shopping on mobile.



But as mobile browsing becomes more common, and retailers improve their multichannel efforts, there is no question that more moms will favor smartphones and tablets for their shopping and buying.

Five Things You Didn't Know About CPG Mobile Advertising

People Really Do Use Their Phones in Stores -- Men More Than Women for Some Tasks

By:

[Jack Neff](#)

Published: [April 16, 2013](#)

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Packaged-goods marketers may not have been the fastest adopters of mobile advertising, but they're catching up, according to a new study by Millennial Media and comScore, which found CPG advertisers more than tripled spending on mobile last year.

Among the things you might not have known about CPG advertisers in mobile:

1) CPG is adopting mobile faster than the other leading categories. Consumer goods ranked in No. 6 among industry verticals last year, according to Millennial Media, with spending up 235%.

2) Mobile is an awareness medium for CPG advertisers, just like, well, all the other media. Of consumer-goods campaigns, 46% had awareness as a goal vs. only 14% among mobile advertisers generally. As a result, CPG advertisers are using their awareness-building medium of choice -- video -- heavily. They're twice as likely as advertisers overall to use mobile video, according to the study. (Separately, growing CPG interest in digital video has driven growth of TV-style ratings for online audiences and led them to increasingly repurpose TV ads as digital video. Thus, comScore recently divested its ARS Group TV copy-testing service, since few CPGs were paying separately to test digital video copy.)

3) CPGs are into location, with 40% using some kind of location targeting in mobile campaigns, making it the fourth-biggest vertical category using location, even though it's only the sixth-biggest spender overall. Beverage and beauty advertisers led CPG subcategories using location targeting, accounting for 69% of industry usage.

4) Men are more likely than women to use their phones in stores for some tasks. Specifically, men are more likely to use phones to check product availability, compare prices, find deals or make online purchases. Women are more likely than men to use phones in stores to text or call friends about products, send pictures of products, or research product features.

5) Shoppers use their phones in stores more than many people believe. Millennial Media and comScore found over a three-month period that 40% of women and 47% of men used their phones in stores to find coupons or deals, while 29% of men and 41% of women used their phones to research consumer-product details.

IAB: Mobile Ads Captured 9% Of Online Ad Spend In 2012

April 16th, 2013 - 1:46 pmBy [Kimberly Maul](#)

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Mobile Drives Digital Growth In 2012



2012 was another banner year for the online advertising space, with revenues up 15% over 2011. Mobile and digital video led much of that growth.

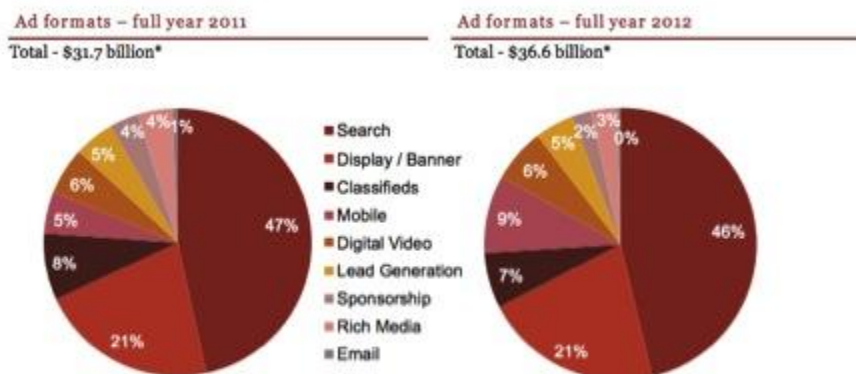
Mobile ad spend grew 111% compared to 2011, the second year of triple-digit growth, accounting for 9% of total internet advertising revenue at \$3.4 billion. Digital video revenue increased 29% to \$2.3 billion, up from \$1.8 billion in 2011. Total online ad spend for the year was \$36.6 billion.

"The impact of multiple screens and people spending more time in front of multiple devices is one of the trends we believe is driving such a large growth rate," said David Silverman, a partner at PwC. "That's increasing the amount of inventory that is available and is forcing marketers to shift their dollar spend as well."

While display advertising continues to grow, it has not surpassed search revenues, according to the "2012 Internet Advertising Revenue Full-Year Report" released today by the Interactive Advertising Bureau (IAB) and PriceWaterhouseCoopers (PwC) ([full report](#)).

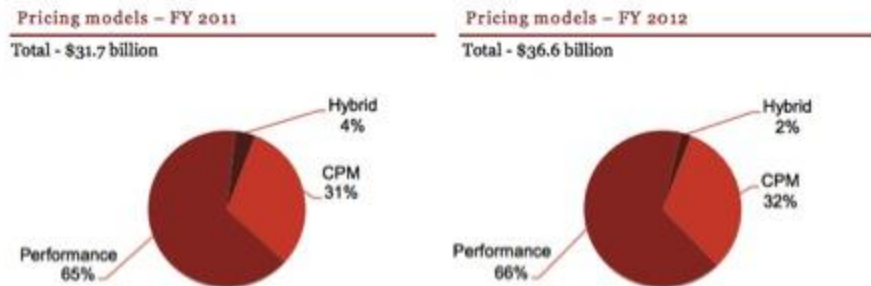
"Growth rate and returns for 2012 were not driven by one-time-only big moments, like the elections and Olympics," says Sherrill Mane, SVP of Research, Analytics and Measurement for the IAB, in a presentation about the report. "We don't see any indication that those were the big drivers this year."

Overall display revenues jumped 9% to \$12 billion in 2012, making up 33% of all online advertising. Meanwhile, [search revenues continued](#) to make up about half (46%) of all online ad revenues, with \$16.9 billion in 2012. That's a 14.5% increase over 2011, indicating search is growing faster than display.



* Amounts may not equal 100% due to rounding.

Performance-based pricing models are still the most popular, while the hybrid model has decreased, with only 2.1% of revenues priced with a hybrid model, down from 4.2% in 2011. Impression-based models, CPMs, rose to 32% of revenues priced, up from 31.3% in 2011. Performance-based metrics also rose to 65.9% of revenues priced, up from 64.6% in 2011.



RTB continues to gain traction across channels, says Linda Gridley, President and CEO of Gridley & Company, in her forward-looking segment of the presentation, as the technology and transparency will help advertisers become more efficient in their buying. Gridley highlights data from [eMarketer](#) and [Forrester Research and SpotXchange](#) regarding that aspect of online advertising

4-29-13

With broad audience base, CPGs seek to reach consumers across devices and platforms

Experimenting with various mobile advertising tactics has helped CPG marketers stand out among other industries. As consistent spenders in the mobile advertising space, Millennial Media reported that from 2011 to 2012, the consumer goods vertical grew 235% on its platform. In addition, a study by comScore and Millennial Media found that the vertical's primary goal of driving brand awareness is a core reason for expanded reliance on the mobile platform.

According to comScore and Millennial's findings, when compared with all advertisers, 46% of consumer goods campaigns worldwide in 2012 focused on brand awareness, while only 14% of advertisers across all verticals focused on the same goal for their mobile ads. Other common goals among

consumer products advertisers were site traffic and sustained in-market presence.

Because CPG brands are primarily purchased in physical stores, awareness-focused campaigns are typically more effective than direct response.

Based on their growing sophistication in the mobile ad space, CPG advertisers are becoming more adept at burgeoning mobile tactics like mobile video advertising, mobile social media and location-based mobile ads. Millennial and comScore also noted the calls-to-action embedded in mobile ads. Mobile actions vary but commonly direct users to watch a video or visit the brand's social media page. In fact, 44% of CPG advertisers implemented video as a post-click campaign action, compared with only 16% of all advertisers. Moreover, 34% of CPG mobile advertisers used some sort of social media post-click action, compared with only 18% of all advertisers.

For CPG advertiser Procter & Gamble, mobile video advertising is a beneficial tactic to drive user engagement.

For a Tide NFL campaign, P&G used mobile video ads that also asked users to submit their favorite team colors in a social way. "We try to look at every mobile ad through a mobile-specific lens," Eric Gruen, fabric care digital brand manager at Procter & Gamble North America, told eMarketer. "We look at mobile video as an opportunity for us to engage with consumers in a medium they use quite frequently. We know NFL viewers are constantly checking scores, checking their fantasy football standings and reading team news. With mobile video specifically, we were able to take a lot of what we were doing in traditional media, whether it was a specific team activation or our national TV spot, and bring it to life in the mobile platform."

eMarketer expects mobile video advertising will reach \$518 million this year, and that spending will nearly double, to \$925 million in 2014. The US CPG and consumer products industry will spend \$3.53 billion on digital advertising as a whole this year. That number will tip \$4 billion in 2014.

Speak Up! Advertisers Want You To Talk With New Apps

by Steve Henn

April 15, 2013 4:50 PM

April 15, 2013

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Drinks columnist David Wondrich is seen on *Esquire's* new Talk to Esquire app, which allows users to interact with several of the magazine's columnists through voice recognition.

Screengrab via YouTube

Imagine for a second what it would be like if you could talk to your radio, and your radio would actually listen. To get an idea of what this might be like, I downloaded an app called [Talk to Esquire](#), from the magazine of the same name.

When I opened it, the app asked me a question: What's your favorite type of liquor? That's a little forward, but it's *Esquire* so I played along and told the app that I'm more of a beer drinker.

"All that beer and no whiskey, I think you are making a mistake," replied *Esquire's* [David Wondrich](#), the drinks columnist.

Before I knew it, I found myself engrossed in a chat about booze. I was talking to recordings of Wondrich, and he, or really the app, was listening to what I said and answering me back.

This went on for more than four minutes, and eventually my cyber David Wondrich showed me how to mix a [mezcal old fashioned](#).

OK Computer

Stanford professor Clifford Nass says this kind of synthetic conversation is possible because of advances in voice and language recognition. It's no longer just a party trick, though it still has limits.

"[The technology] definitely has gotten much better," Nass says. "It's still not super accurate. Nowhere near the accuracy of even a 2-year-old child."

Nass says an app like *Esquire's* can only work well when it tightly limits what the conversation we are having is about. Without context, such apps are lost.

Still, many marketers see an opportunity. Some of the biggest technology companies in the country — from Facebook and Google to Microsoft and Amazon — are trying to figure how to best monetize mobile advertising.

"Mobile banner ads just have not been super successful," says Mike McSherry, a vice president at Nuance, a company that [specializes in voice-recognition technology](#).

"Voice is providing this window to the world of information, and it can be far faster than typing or navigating small screens," he says, "which has been typically the challenge of small mobile devices to date."

Digital forecasting company eMarketer estimates mobile ads could be a \$37 billion business in the next few years. Nuance wants a big piece of that, and this month it released a mobile ad platform that will let advertisers create ads we can talk to.

[Enlarge image](#)

Nuance's Valentine's Dog House demo app uses voice technology.

Nuance

I played one of their demos, called Valentine's Dog House, for Clifford Nass.

"Who are you in trouble with?" the app asks.

"My wife," Nass replies.

"And how mad is she?"

Even though Nass was sitting at his desk with a lollipop in his mouth, and even mumbling a bit, the ad nailed it. He smiled to himself, chuckled and engaged with the ad.

Nass says ads like these, when they work, have the potential to be incredibly powerful because they interact with us in a profoundly human way.

"The human brain is built for speech, so anything that sounds like a voice, our brains just light up and we get an enormous range of social and other responses," he says.

Listen To The Sound Of My Voice

A voice — even a synthetic one — is packed with information our brains are programmed to decode, like gender or age. We simply can't help ourselves.

When we talk to a computer and it answers back, Nass says most of us end up acting as if we're dealing with a real person. Social norms kick in seemingly automatically.

"Our brains are built to treat these conversations with computer-based voices to an incredible degree like [conversations] we are having with actual people — including flattery, flirtation and all the rest," Nass says. "We will see all of those same responses."

Nass' own research found that people like computers better if those computers flatter them. He found that we're polite to the machines we talk to, and we identify with computerized voices that sound kind of like our own. We're even more likely to buy things from them.

Advertisers are hoping they will be able to use all of this, but Nass warns there are big risks in these kinds of interactive ads as well.

"When they work well, they're fantastic; when they work poorly, they're really insulting and disturbing," he says.

Nass says if a computer sounds like a person, but then interrupts you and acts like a jerk, real human beings are much more likely to hold a grudge.

The Biggest Challenge for Mobile Ads? Showing That They Work.

April 15, 2013 at 4:01 pm PT

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Stop me if you've heard this one before: We're shifting from desktop computing to a mobile world.

Cool for phone sales (see Apple and Samsung)! Not so cool, however, for ad sales execs, who have spent the past two decades trying to sell Web real estate to advertisers. Now they've got to figure out how to sell that space on even smaller screens.

Enter Google's Jason Spero and Millennial Media's Mollie Spillman, two of the people charged with figuring out how to usher in (read: *sell*) a new era of online advertising.

The biggest problem? Helping advertisers see when their mobile ads are actually working.

"Until you can show [that tracking connection], they're not going to pay as much for it," Google's Spero said at our **D: Dive Into Mobile** conference. "We're investing heavily in helping people track the value."

It's obviously not a Google-only problem. Others, especially Facebook and Twitter, are trying to figure out ways to tie things like tweets and shares directly to consumer activity, and to show just how far something like a promoted tweet really goes for an advertiser willing to shell out a hundred grand on it.

It's also likely the reason that advertisers aren't willing to spend as much on a mobile ad compared to, say, a desktop ad or traditional media ads in print or on TV.

"Sometimes [advertiser activity] is coming from this test sort of mentality," Spillman said.

Ever the optimists, Spillman and Spero are confident that things are looking up. "It's becoming more mainstream and mandatory that mobile is part of the marketing budget or media spend," Spillman said.

The best way to build on that, Spero said, is ultimately to make the tools to figure out if it's actually working better over time.

"We have a responsibility that our customers can attribute the maximum amount of what they're buying ... and to make that scalable," Spero said.

37% of consumers think that most mobile sites are difficult to navigate

by [David Moth](#) 12 April 2013 09:26 [0 comments](#) [Print](#)

A new report investigating consumer opinions of mobile commerce has found that there is still a perception that the mobile web offers a poor user experience.

More than a third (37%) of respondents in [the EPiServer survey](#) agreed that many mobile websites are difficult to navigate, an increase from 32% in 2011.

The survey also found that consumers are increasingly unforgiving of mobile sites and apps that aren't up to scratch.

Almost half of respondents (47%) claim that if an app is hard to use they will stop using or delete it compared to 41% in the previous survey.

People apparently have slightly more patience with mobile sites, although 38% still said that they would stop using a mobile site that is difficult to use.

In truth these stats need to be taken with a pinch of salt as it's incredibly difficult for survey respondents to accurately predict their future behaviour, but it still highlights the importance of delivering a decent user experience on mobile platforms.

It's a topic I've previously investigated in a post examining [whether mobile checkouts are simple enough to capture repeat shoppers](#), and yesterday I highlighted [several user experience problems with H&M's new transactional app](#).

The EPiServer survey also asked respondents about the problems they encounter most often when using the mobile web.

Almost half (49%) of respondents cited slow loading times as the most common problem, followed by having to scroll both horizontally and vertically (48%) and links being too small to click on (35%).

Interestingly, 42% of respondents said they found it frustrating that mobile sites don't offer the same functionality found on a desktop, which in my opinion reveals an ignorance of the capabilities of the mobile web.

S Foursquare Planning to Offer Check-in Data to Target Ads on Other Platforms

Location Data to Be Made Available to Ad Networks and Exchanges

By:

[John McDermott](#)

Published: [April 12, 2013](#)

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Foursquare has started pitching digital agencies on a new ad product that would use Foursquare's location and behavioral data to contextualize ads on other platforms, executives familiar with the situation said.

The ad product is still in development and will eventually allow advertisers to use Foursquare data to target ads purchased through ad exchanges or networks.

When launched, it will mark Foursquare's first attempt to generate revenue outside its app.

Dennis Crowley

"We are always looking at ways that could make our data more useful for advertisers and partners, while respecting the privacy of our user's information," Foursquare said in a statement. "We're really excited about our 2013 monetization roadmap, and will provide more details when the time comes." Currently, Foursquare's revenue streams include money earned from businesses buying promoted listings and specials advertised solely within the app. The company launched those programs in June 2012, a month after it hired Steven Rosenblatt -- the company's inaugural Chief Revenue Officer -- to help monetize the service.

But those ad products netted the company just \$2 million in revenue in 2012.

The news comes amid heightened pressure on the four-year-old company to prove that it can generate enough revenue to justify a valuation that was once reported to be as high as \$760 million.

On Wednesday, Foursquare released a new version of its app that aims to make local discovery (and not check-ins) its primary function.

The next day, Foursquare announced it received \$41 million in the form of a multi-year loan and convertible debt from new and existing investors. "This allows us to get closer to being able to prove that there's a real business here," Mr. Crowley [told Bloomberg Businessweek](#).

How lucrative the new ad product will be depends upon how valuable agencies and brands view Foursquare's data. Several agency executives who were not pitched on the new ad product said they would readily pay for access to Foursquare's location and psychographic data.

Ken Allard, managing director of global business strategy at digital agency Huge, a unit of IPG, said Foursquare's "unique and proprietary data is incredibly valuable." He added that the data could be used to predict how temperature will affect whether consumers buy hot or cold drinks.

Ian Schafer, CEO of digital agency [Deep Focus](#), said Foursquare has one of the most reliable place databases on the Internet.

"I'm bullish on the business potential of what Foursquare has built and its value is not necessarily linearly tied its platform," he added.

Others were less enthused. One agency executive said it will be difficult for Foursquare to differentiate itself from Facebook, Twitter and [mobile ad tech startup PlaceIQ](#) as a provider of useful location-based marketing data.

Foursquare said its trove of data includes the 3.5 billion check-ins made on its platform and the data it receives from the more than 40,000 developers that have integrated Foursquare's location database in their apps, including the popular apps Instagram, Uber and Evernote. Check-ins may have declined, but Foursquare CEO Dennis Crowley said the company is compensating by becoming "the location layer for the Internet."

Using this location data to attract large brand advertisers both on and off its platform will be crucial to Foursquare's potential success. Small businesses -- the stores that users can readily find via Foursquare -- devote only 3% of their advertising budgets to digital, 12 percentage points lower than the national average, according to a recent Boston Consulting Group survey.

Foursquare said it is currently working with Burger King, Lord & Taylor and Starwood Hotels among other prominent fast food, retail and hotel brands.

Let's Get Personal: The Next Step In The Evolution Of Mobile Target Marketing

by [Puneet Mehta](#), 94 minutes ago

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Tags

[hyper local](#), [interactive](#), [marketing](#), [mobile](#)

Smartphones are inherently more personal than the more ancestral advertising channels. TV, radio, print, billboard and even PC have catered to mass communication, with advertisers hoping their brand messages will stick. Today's always-on consumers have much different expectations with their mobile devices.

Consumers want to interact with brands on a highly personalized level, receiving offers and ads tailored and delivered to them when and where it is appropriate, and nothing else.

To succeed on mobile, marketers need to get smarter about their mobile marketing strategies to be customer-centric and influence them at precise moments of decision making. Today, mobile targeting is based on peak points of mobile engagement, but to meet customer's expectations and demands, mobile marketers will have to go beyond generalized peak point of engagement to contextually relevant ads.

As mobile marketing evolves, advertisers need to:

Understand secondary location data

Technology needs to drive true relevance by being situationally-aware of a user's surroundings, beyond just nearby places, events, etc. Marketers need to bring in secondary location-based real-time data that exists, such as weather, traffic conditions and economic factors, to provide a true hyper-local and 360-degree user experience and provide for instant actionability.

Expand context beyond location

Location has been the primary filter that advertisers are using today for contextually relevant mobile advertising. The opportunity to deliver a highly personalized experience goes much further than where a customer is. **What are they feeling?** What do their friends and family like and respond to? **By mining a customer's social sphere and online communications to learn about them, mobile advertising will be much more hypertargeted and therefore effective.**

Provide value

Deliver something of value to consumers. Mobile cannot be used as a soapbox to **push marketing-centric messaging. Mobile is user-centric, and you need to deliver something that is interesting to consumers or gives them something, be it a deal, reward, information or entertainment.**

Tap the brakes

Today's tools make mobile advertising a playland for interactive marketers, with shiny new objects generating excitement everyday. It's easy to want to connect with customers often because it's fun and new. Just because you can, doesn't mean you *always* should. Marketers need to carefully track the frequency of their communication with their customers to ensure they are not intruding and interrupting on their lives too often. Build your mobile strategy on a foundation of trust with your customer, delivering targeted messages when customers want them. If you interrupt too much, they will be quick to abandon.

Make Data Actionable

Interactive marketers need to track data in real time and adjust their programs to ensure maximum success. Stale data that works for other advertising channels, which comes days or even weeks after a campaign, is not appropriate for mobile. Mobile marketers need to be nimble and if one mobile program is not performing with one audience segment, they need to quickly change it to ensure a high ROI.

Mobile should not be treated in a silo, but should be part of an omni-channel marketing strategy. Consumers will interact with brands via apps, mobile and traditional Web, social media, and through various connected devices. We are on the verge of a major transformation in the advertising industry, one that will make the disruption of "traditional" digital advertising look trivial in comparison.

The opportunity to make meaningful, personal connections between customers and brands is huge and, therefore, so is the opportunity to make real impacts on their business.

Pandora and other online radio services accounted for almost one quarter of the average weekly music listening time among US consumers aged 13 to 35 in the last quarter of 2012, an increase from a share of 17% the previous year, according to the NPD Group. And more than half of Pandora and iHeartRadio users used their mobile phone to access the services – around one in five Pandora or iHeartRadio users are also currently connecting to those services in their cars.

“Driven by mobility and connectivity, music-streaming services are rapidly growing their share of the music listening experience for teens and young adults, at the expense of traditional music listening methods,” said Russ Crupnick, svp of industry analysis at NPD.

| Streaming Music Usage (Age 13-35, Q412) | % Using |
|--|---------|
| Pandora (free version) | 39% |
| iHeartRadio | 11% |
| Spotify (free version) | 9% |
| Grooveshark | 3% |
| Slacker | 2% |
| Pandora One | 2% |
| TuneIn | 2% |
| Last.fm | 2% |
| Xbox Music | 2% |

What's the ROI on your mobile marketing?

Summary: Many small businesses are investing in mobile search and local marketing campaigns. Make sure the tool or service your company chooses is backed by thorough analytics.



By [Heather Clancy](#) for [Small Business Matters](#) | April 9, 2013 -- 12:00 GMT (05:00 PDT)

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One big gripe small businesses have with the dozens of mobile marketing tools now at their disposal is their inability to tell, quickly, which campaigns are working and which are not.

That's why one of the emerging service providers in the mobile search optimization space, [VocalizeMobile](#), has invested in putting a big data analytics engine from [ClickFuel](#) (called Fuel Station) behind its service. In short, Fuel Station helps VocalizeMobile customers track productivity and effectiveness more easily through a relatively straightforward analytics dashboard.

Using this tool, VocalizeMobile was able to document a sales increase of more than \$500,000 over six months for one customer, Texas-based Easy Moving Company. Behind that growth was a targeted mobile search campaign that generated an average of 60 new phone calls per month that each had a successful conversion rate of more than 75 percent. Using that information, Easy Moving was able to launch similar campaigns in other cities.

"The analytics delivered on the Fuel Station dashboard serve as invaluable tools to our business, providing the specific data needed to reduce the time analyzing each customer campaign," said Philip Krim, founder and CEO of VocalizeMobile, which is based in New York. "ClickFuel also provides our sales representatives with the insight they need to validate to customers, like Easy Moving Company, that our platform generates the highest-quality leads with the fastest returns."

I'm not necessarily advocating VocalizeMobile's service, because I haven't used it myself, but this example does raise the question: how closely can your organization track the specific, local leads being generated by its mobile search marketing efforts?

The benefits of big data analytics don't have to be limited just to big companies, so you would do well to ensure that they sit behind any mobile or social media marketing service that you choose for your small company.

For more on local marketing tools:

70 Percent of Mobile Searches Lead to Online Action Within an Hour

posted on April 8, 2013

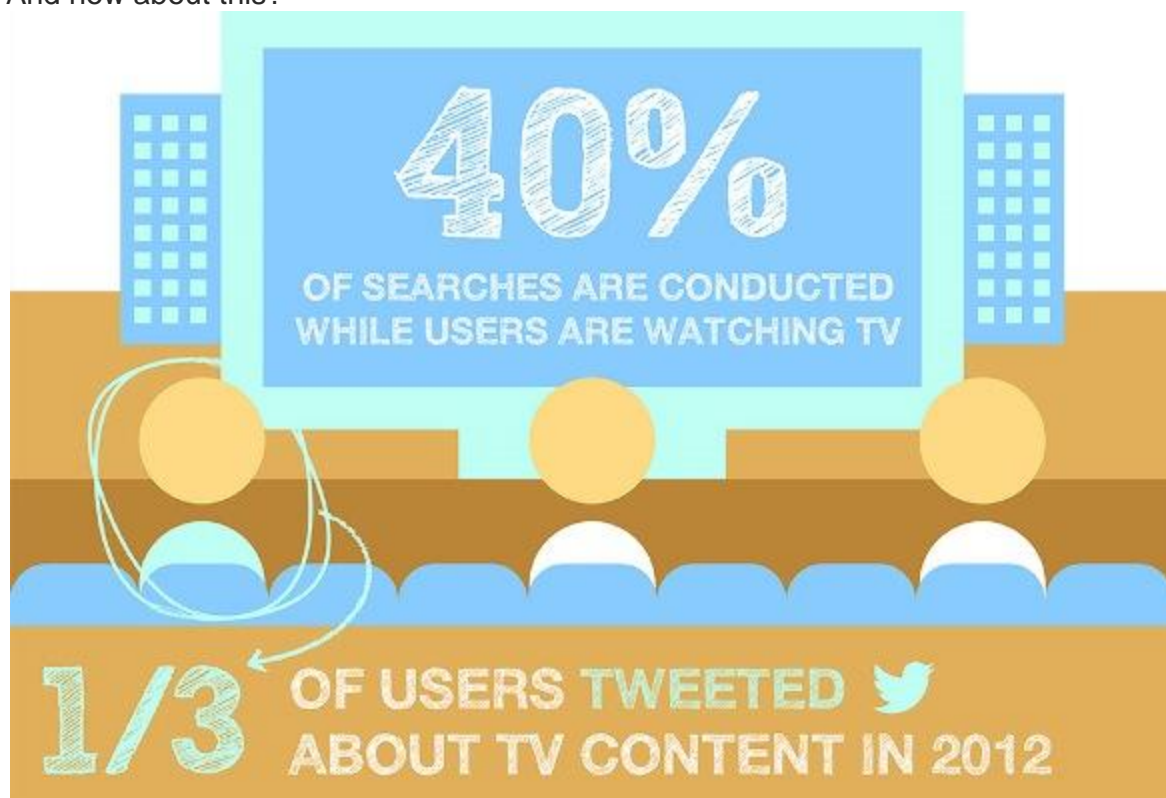
If you received traffic from a search engine today, send a thank you card to [Alan Emtage](#). He built the very first computer search engine back in 1989. But sadly, he was so far ahead of his time, he didn't see the future value in what he created so he didn't file a patent or lay any claim to the technology.

Enter Google, who turned search into a multi-billion dollar industry then started to do it again with mobile. In the last year, Google's mobile ad revenue went from [2.5 billion to 8 billion](#) and that's in a sector that's barely begun to take hold.

There's money in search because search is working. [iAcquire and SurveyMonkey](#) conducted a study and found that 70% of mobile searches lead to an online action within an hour.



The majority of folks are searching on a smartphone, but 40% use a tablet. So what happens when they hit your website? It might look great on the wide screen of an iPad, but what does it look like on a smaller Kindle Fire or a Windows phone? If the site isn't mobile friendly, 40% of consumers will move on to their next choice. And how about this?



That's typical behavior in my house. I'm constantly using my iPad to search while I watch TV. I look up actors to find out more about them. I look up information about

the brands I see in commercials and I'm always searching local news to find out what that teaser is all about. (There's a killer in a Southland neighborhood, is it yours?)

The majority of mobile searchers are 18-29. 45% of this group uses mobile search daily.

What are all these people searching for?



40% of people are looking to buy something. Surprisingly, only 10% are looking for a visual response.

As far as search ads go, 65% of those surveyed said they won't click. Ouch. But before you panic, check this out:

[50% of people who click on ads, think they're clicking on regular search results.](#)

Small screens and in-stream placements have a lot to do with this behavior. Sure that ad has a "sponsored" logo in the corner but on my smartphone its so tiny, I can't read it!

So let's wrap up with some good news: 90% of users regularly check the second page of search results to find what they want.

Hear that? That's a sigh of relief from every blog and website who lost their search ranking in the last Google update.

How's search working out for you?

MG to Track How Mobile Ads Lead to In-store Visits

The Agency Has Teamed up With Startup PlaceIQ to Create Place Visit Rate

By:

[John McDermott](#)

Published: [April 02, 2013](#)

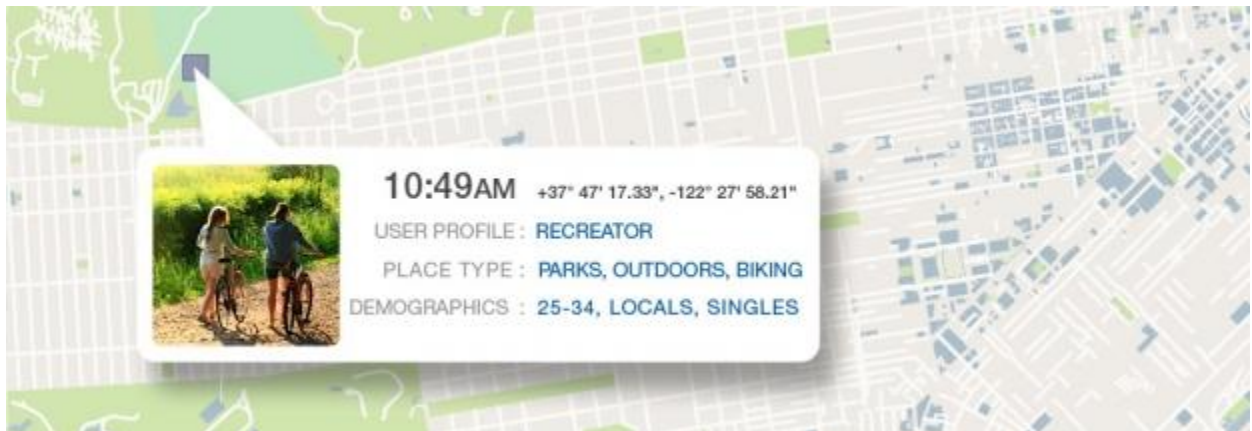
252 share this page



Starcom MediaVest Group has partnered with New York City-based startup PlaceIQ to unlock mobile marketing's great mystery: when someone shown a mobile banner ad is enticed to walk into a store.

The metric, which PlaceIQ calls Place Visit Rate, uses location data to illustrate what percentage of customers served a mobile banner ad for a retailer subsequently visited one of that retailer's stores.

PlaceIQ conducted a case study on the technology for one of SMG's retail clients that showed a correlation between customers being shown an ad and ending up in store. Neither PlaceIQ or SMG would disclose which retailer was involved. SMG's retail clients include Best Buy and [Walmart](#).



The case study was apparently convincing enough for SMG to make the new metric one of its many marketing products. Derek Thompson, the global managing director of SMG's mobile practice, said that although the new metric may not be appropriate for all of the agency's clients, using location data to inform marketing is essential regardless of whether you're trying to direct customers to a physical store.

"It's not just about trying to move people from point A to point B. Local targeting has a broader appeal than that," he said. "It's about developing large audience pools that are more qualified to be certain types of consumers."

PlaceIQ tracks consumers' locations by analyzing information collected from data partners or bought from publishers and ad networks.

Whenever an in-app ad request is served through a network, the network assigns the device a hash ID--a string of numbers and letters designed to anonymize the phone and its user. By tracking individual hash IDs, PlaceIQ can map the various locations a mobile phone was served an ad.

The targeting goes beyond simply identifying a smartphone's latitude and longitude, however. PlaceIQ's data science team has drawn maps of stores, car dealerships, parks, landmarks and other notable locations. PlaceIQ then pins hash device locations to these maps, which in turn can help marketers demographically profile smartphone users.

REI could use PlaceIQ to recognize people who routinely visit national parks and subsequently serve them ads about a deal on hiking boots available at a nearby store, for example. If a smartphone user opens a weather app after arriving in Grand Central to discover it's raining outside, a Midtown retailer can serve him or her an ad for discounted umbrellas.

The process involves PlaceIQ placing a 100 square meter grid on top of certain geographic locations and targeting them within one of those squares. In some cases, PlaceIQ hand-draws a bird's eye outline of a building or landmass.

PlaceIQ CEO and co-founder Duncan McCall said that PlaceIQ has drawn car lots in order to identify if users have visited a car dealership and are thus in the market for a car.

He cited this as a way PlaceIQ's location data can be used to lure potential customers away from a competitor's location. Lexus could potentially identify a mobile phone user at an Audi dealership and serve them a mobile ad directing them to the nearest Lexus lot.

The tracking is far from perfect, though. Because each mobile ad network assigns its own hash ID to devices served through its network, effectively tracking a phone from one location to the next is dependent upon them accessing the same ad network. This results in PlaceIQ being able to effectively track only 15% to 25% of all the mobile ad traffic it monitors.

Place Visit Rate is much like the mobile ad tracking sector at large, then: it's a crude measurement, but definitely an improvement.

New Mobile Multitasking Defined As 'Distraction Behavior'

by [Joe Mandese](#), Yesterday, 12:15 PM

Kelly Jones, senior research manager at Microsoft Advertising, said Microsoft has broken down consumer mobile usage into two distinct patterns.

One is dubbed “sequential,” when consumers use their mobile device to navigate and access content and information linearly “across time and space,” she told attendees at the Mobile Insider Summit.

The other is what consumers call “multitasking,” but Microsoft calls “distraction behavior.” Whatever you call it, Jones said, it is a behavior in which consumers are constantly doing multiple things on their mobile device. It's how they do things in real life, when they're not being monolithic.

That said, Jones indicated that Microsoft considers the “distraction behavior” consumers to be especially vexing for marketers, because it's not always clear how to get them to pay attention to advertising. Just like in the real world.

“Is there room in this behavior for advertisers to insert themselves?” she wondered, invoking a sentiment that marketers and agencies have been asking before mobile devices ever existed

59pc of users as comfortable with mobile advertising as with TV, online ads: study

By [Chantal Tode](#)

February 28, 2013

Mobile is increasingly the core platform through which consumers access the Internet and engage with brands, with more mobile users becoming as comfortable with mobile advertising as they are with TV or online ads, according to a new report from InMobi.

The results point to how mobile devices are changing the media landscape, with 50 percent of global mobile Web users now using their smartphones as either their primary or exclusive means of going online. InMobi's Mobile Media Consumption survey also found that at least 1 out of 2 mobile Web users engage in dual screen activity between TV and mobile across markets.

“The study shows that consumers are spending more time on mobile than ever before and are even still engaged with their mobile devices while doing other activities or absorbing other media,” said Shrikant Latkar, vice president of marketing at [InMobi](#).



“Mobile is becoming one of the foremost mediums for consumers to discover and interact with new brands, and they’re increasingly as comfortable with mobile advertising as they are with TV and Web ads,” he said.

“For marketers, this presents a huge opportunity to engage attract and engage new customers.”

Increased competition

As the appetite for mobile media continues to rise, mobile is becoming a fundamental part of consumers’ communication needs. Unlike traditionally print or TV advertising, the always-on aspect of mobile creates an opportunity for brands and marketers to engage with consumers throughout the day.

The InMobi study reveals that 48 percent of mobile users surf the mobile Web while spending time with family, 45 percent surf the mobile Web when at a social event, 60 percent do so while commuting and 43 percent turn to their handsets when they shop.

Another key finding is that 27 percent of respondents stated they have actively used 6-10 apps in the last 30 days, averaging to 6.5 apps used over 30 days. This points to the opportunities provided by apps to engage with consumers.

The report also found that 54 percent of respondents have noticed ads while engaged in an app. Eighty percent were influenced by a mobile ad to download an app and 67 percent went on to visit a brand’s Web site immediately afterwards.

Globally, 54 percent of users discover mobile ads via apps, 40 percent on a search engine, 27 percent on a retailer Web site and 23 percent on a video Web site.

“That there are great opportunities with mobile advertising is not new, but, with consumers now more receptive to mobile advertising than ever, marketers should expect increased competition in engaging mobile users,” Mr. Latkar said.

“Marketers need to deliver mobile ads that transform the ad experience and deliver rich, relevant and timely content to users,” he said.

Shopping tools

With many consumers now using mobile as their primary means of going online, this has resulted in mobile devices becoming important shopping tools. Consumers are using their devices throughout the research and decision-making process of a purchase.

Mobile advertising is proving to be effective across the entire purchase funnel, with 75 percent of respondents saying they have been introduced to something new via their mobile device, 67 percent feeling that mobile has provided them with better options, 46 percent having made purchases using their mobile device and 45 percent saying mobile has influenced their in-store purchases.

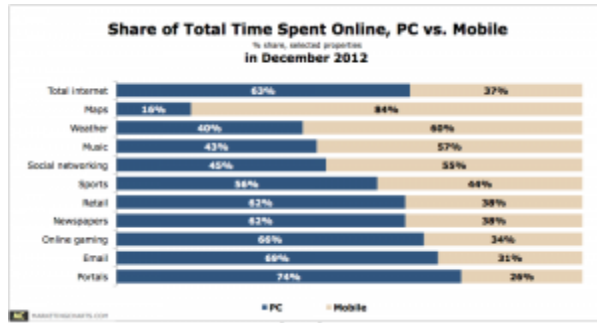
With 66 percent of consumers surveyed having spent money on an activity via a mobile device, mobile commerce is expected to continue to grow and evolve. InMobi found that 80 percent of consumers plan to conduct mobile commerce in the next 12 months, a 21 percent increase from today.

InMobi surveyed 15,000 mobile Web users across 14 markets for the report.

“While the trend towards increased mobile use is not necessarily surprising, we find that is very interesting that 75 percent of the respondents in the study have been introduced to something new via their mobile devices—not only are we using our mobiles for communication, we are now relying on these devices for discovery of new things and products,” Mr. Latkar said.

55% of Social Networking Consumption Occurs on A Mobile Device

February 27, 2013 by MarketingCharts staff



Consumers are spending an increasing amount of time performing various activities on mobile devices, finds comScore in its “[US Mobile Future in Focus](#)” [download page] report. In fact, in December of last year, comScore finds that 37% of total time spent online was via a mobile device, a far greater amount than the 23% GfK indicated in an earlier study. Among the categories that were above-average in mobile share of internet time were maps (84% mobile), weather (60%), music (57%), and social networking (55%). The [increasing use of mobiles for social networking](#) has been well-documented recently: for example, a study from the NPD Group revealed that 27% of tablet and 20% of smartphone users are [migrating their Facebook time from their PCs to their mobile devices](#). An earlier Nielsen study indicated that 40% of social networking consumption in July 2012 was via a mobile application or via the mobile web.

Some of the disparities between the comScore numbers and the figures from GfK (regarding total internet time on a mobile device) and Nielsen (concerning social media

time on a mobile device) could be related to timing. While comScore's data covers December 2012, the GfK study was conducted between February and July 2012, while the Nielsen data covers activity in July 2012.

That's [the conclusion of Business Insider](#):

People download a lot of apps, but they abandon 95 percent of them, according to [a study by Nuance](#). The result: They keep using the same apps—Nielsen says Facebook, YouTube, Google Play, Google Search, and Gmail were the top five apps in both 2011 and 2012. And they're not spending markedly more time in apps: 39 minutes a day in 2012 versus 37 minutes in 2011.

While the Nuance stats are not new, the “if you build it they will not come for long if they come at all” phenomenon is getting more attention lately. Consider [NYT tech blogger, Jenna Wortham, who is shoveling out of the charred ashes of app-burnout](#):

I asked a few friends, and their behavior is similar to mine. One friend who lives in Los Angeles said he had 150 applications installed on his phone. He estimates that he uses about 15 on a daily basis. Another friend, this one in New York, told me he had 104 apps on his phone and used around 20 regularly.

For the typical app, less than half the people who download it use it more than once, said Guy Rosen, the chief executive of [Onavo](#).

16 case studies prove ROI of mobile marketing

By Rob Petersen. Filed in [Mobile Marketing](#) |

Tags: [App Store](#), [Facebook](#), [Janssen](#), [McDonald](#), [MediaVest](#), [mobile marketing](#), [Multimedia Messaging Service](#), [QR code](#), [ROI](#), [SMS](#)



Photo credit: Wikipedia

Are you paying attention to your mobile marketing yet? After years of being the next big thing, mobile might finally be the current big thing. But there is a big problem—most people don't know how to prove it. A joint study by the [ANA \(Association of National Advertisers\)](#) and [MediaVest](#) shows marketers are excited about opportunities for mobile marketing but frustrated about the ability to prove return on investment (ROI). Are you one of them?

Consider these highlights:

- 96% of marketers currently use or are planning to incorporate mobile marketing into their marketing mix
- **85% report an intent to raise their mobile budgets in the near future**
- 84% use mobile websites; 78% mobile search; 76% mobile apps and 75% mobile display ads
- 42% are concerned about having proper mobile metrics in place
- 42% report an ability to prove ROI
- Only 21% state they have been successful in mobile – a decrease from 2010

To help alleviate the frustration, here are case studies. They cover opportunities from mobile optimized websites, mobile apps, mobile search, mobile ads, MMS, SMS, QR Codes to social media. They also prove ROI is more often achieved when marketers pursue mobile with a specific business purpose rather than mobile for mobile's sake.

Here are 16 case studies that prove ROI of mobile marketing

1. [BMW](#): Began using MMS (Multimedia Message Service) to send images, video, sound files and text messages for customized snow tire offers. They increased conversion +30%
2. [CARITAS HOME CARE](#): Boston-based home healthcare agency used mobile health devices to enhance communications and data collection with its 150 mobile clinicians. Caritas documented how the mobile devices were able to save 19,200 hours or 98 hours per clinicians per year. Although Caritas didn't release salaries of clinicians, if we estimated \$50/hour, which would be conservative, Caritas saved \$960,000. If the devices were \$100 each for 150 clinicians at \$15,000, which would also be conservative, the ROI would be 64-to-1.
3. [DUNKIN DONUTS](#): Used SMS (short message service) or text messaging to increase store traffic and drive sales. The SMS campaign offering mobile coupons. It increased store traffic +21%.
4. [HAIR CLUB](#): North America's leading provider of hair restoration solutions for men and women created a mobile website with one purpose, to get mobile phone users to "click-to-call" for more information. Their "click-to-call" button goes to a live sales person within seconds. Once a call is made, their close rate goes up exponentially. ROI for the mobile website was 30-to-1.
5. [HARLEY-DAVIDSON](#): Wanted to maintain visibility with current customers and add new customers and revenue through a holiday promotion. They sold HD related merchandise through a Route 66's mobile club. Communications of the 12 Days of Christmas campaign were promoted through a mobile social media campaign. Sales increased 250% on helmets; 16% on leather jackets and there were significant increases in holiday dealer traffic which was also an objective.
6. [HOTEL TONIGHT](#): Sought to acquire new customers who would download its last-minute hotel booking app and ultimately use it to book room nights. To acquire new users of its app (available in the App Store and Google Play), Hotel Tonight used Facebook's granular targeting and two key products: the mobile app install ad and Facebook Offers. For three months between October 2012 and HotelTonight ran app install ads that: 1) Drove people to the App Store, 2) Targeted people based on demographic information and likes and interests such as

- “travelers,” “parents” and “golf” and 3) placed on mobile news feeds targeted to iOS users. Hotel Tonight receive 10X higher click-to-install rate from the mobile app install ads and 80% higher return on ad spend from Facebook Offers than average mobile advertising spend
7. [JANSSEN \(PSORIASIS 360\)](#): Launched a mobile phone app to help psoriasis patients track the severity of their condition. The index helped them know when to seek professional care and allowed their medical professional assess to the severity of their patient’s condition. Janssen also opened a Facebook page, which they moderated for regulatory reasons, to let patients tell personal stories and had over 30,000 posts and comments. According to Janssen, the investment in the mobile app overachieved ROI but more important delivered the right therapy to the right patient at crucial times.
 8. [MCDONALD’S](#): Designed a ‘restaurant finder’ app to enable consumers to find a late-night McDonald’s. 2/3’s of its restaurants close at 11pm. McDonald’s employed location-based technology and geo-targeted above-the-line messaging, to avoid sending potential customers to a locked door. The app was downloaded 1,300,000 times over the course of the campaign, and when the sales uplift was calculated, the campaign delivered an ROI of 2:1.
 9. [PETCO](#): Expected the creation of a mobile website and a mobile ad campaign would be made up by higher conversion rates to coupons and offers. Mobile coupon redemption outnumber online coupon redemption by 5 to 1 more than paying back the cost of the website and ad campaign.
 10. [PIZZA HUT](#): Created a mobile optimized website, integrated with Pizza Hut’s back-office systems and all devices had a user experience tailored to each device. By the end of the first week after going live, the site accounted for 10 per cent of all online orders increasing at a rate 60 per cent each week.
 11. [ROY’S RESTAURANT](#): Used a paid search mobile-only campaign that enabled them to budget, bid, target, and track their mobile performance separately from their desktop AdWords campaigns. They also focused on Google’s click-to-call phone numbers in local ads on mobile devices and hyperlocal advertising. They achieved an astounding 8-to-1 ROI by focusing solely on mobile advertising.
 12. [VEGAS.COM](#): Noticed that mobile visitors to their destination- based travel and entertainment booking website didn’t stay long. They created mobile versions of the: 1) Homepage, 2) Category pages and 3) Hotel room search tool with special functionality to improve the mobile customer experience. An improved mobile experience resulted: 1) 22% lower bounce rate 2) 16% more page views and 4% higher conversion rate.
 13. [VERIZON](#): Used QR codes to take store customers that scanned the QR code through to a competition to win a smartphone, via sharing on Facebook. If one of those Facebook friends brought a Verizon mobile, the original customer would get a free smartphone. A pretty nifty promotion that generated \$35,000 in additional revenue during the week of the promotion, **with a mere \$1,000 investment**. The promotion generated a 200% in smartphone sales, a staggering figure that can be attributed to a QR Code.
 14. [WINNEPEG HEALTH AUTHORITY](#): Used SMS to get adults 18-24 tested for sexually transmitted infections (STIs), increase awareness of STI incidents and

- remove false perceptions about testing. Text the keyword PEEINACUP to the short code 82442 or go to www.peeinacupwinnipeg.ca for clinic locations and a chance to win \$1,000. Over the course of the four-week campaign, more than 10,000 people visited the Web site and 825 people entered the contest, which is 1.2 percent of the total target population in Winnipeg.
15. [WOOGA](#): The world's third largest social game developer. Among its popular social game titles is Diamond Dash, a colorful jewel blitz game that challenges players to match three or more of the same colored gems in under 60 seconds. Wooga ran sponsored stories in Facebook mobile news feeds that displayed when one of their friends had played [Diamond Dash](#) for at least four minutes or twice during the previous month. This campaign strategy generated great success for Wooga, from increasing installs by over 25% to lowering the cost-per-install by 10%.
 16. [zPIZZA](#): Had a business goal to deliver at least 1,000 heavy- use customers who spend \$50+/-month for each of their restaurant locations. They also had a loyalty program, zTribe, to identify regular customer and reward them with sweepstakes, cash prizes and inform them of new product. zPizza decided to use SMS messaging to improve registration and timeliness of the zTribe rewards and product information. The result was a 5% improvement in registration and a +106% in conversion for program participation.

Does your company use mobile marketing? Do these case studies prove ROI to you? Do they help teach how mobile marketing could be better used for your business?

Mobile: The Key to the College Student's Heart?

Posted 2 days ago by Nina Michael

6

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A joint study done by [Campus2Careers](#) and [Study Breaks](#) on the use of mobile amongst college students unveiled statistics that further exemplified the importance of mobile amongst young adults.

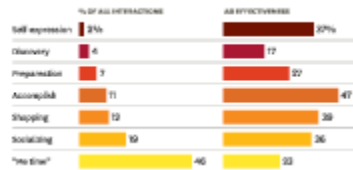
Of the 700 college students surveyed, 87 per cent said they never left home without a cell phone, 40 per cent preferred mobile-optimized sites, 68 per cent used social media to "check in" using a mobile device, 91 per cent used a mobile device to check/compose emails, 93 per cent used a mobile device to search for information on a business, 76 per cent used a mobile device to find deals/coupons, 32 per cent used a mobile device to visit a business website, 46 per cent used a mobile device to scan QR codes from a print ad, and 53 per cent used a mobile device to read magazines.

"What all this means is that, like it or not, mobile devices are an extension of college students – a practica limb – ad it's crucial that businesses take advantage of this," Study Breaks stated in a press release. "To do this, a business should develop mobile marketing tactics and a mobile site to increase interactivity ad reach potential college students at any time via the one form of media that they never put down: their mobile device."

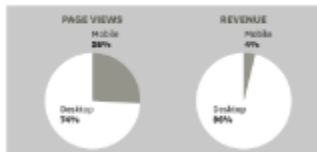
The Seven Primary Motivations
Where Marketers Get It Wrong
Making Bad Assumptions About App Use



Failing to Connect with Users During "Me Time"



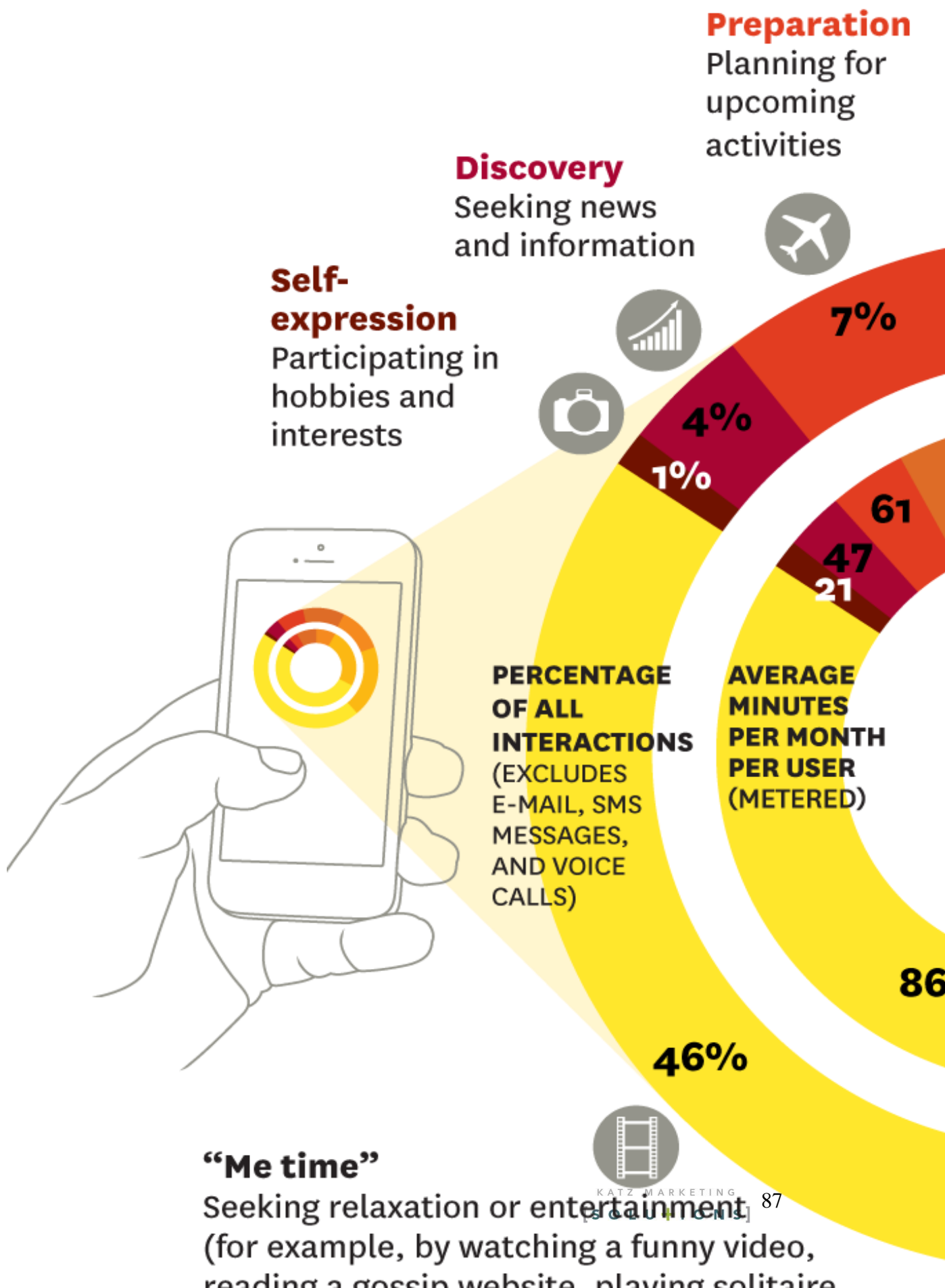
Underinvesting in Mobile Media



To marketers, the prospect of reaching shoppers through their smartphones is tantalizing. But mobile doesn't always mean on the go. New data show that 68% of consumers' smartphone use happens at home. And users' most common activity is not shopping or socializing but engaging in what researchers at BBDO and AOL call "me time."

Seven primary motivations

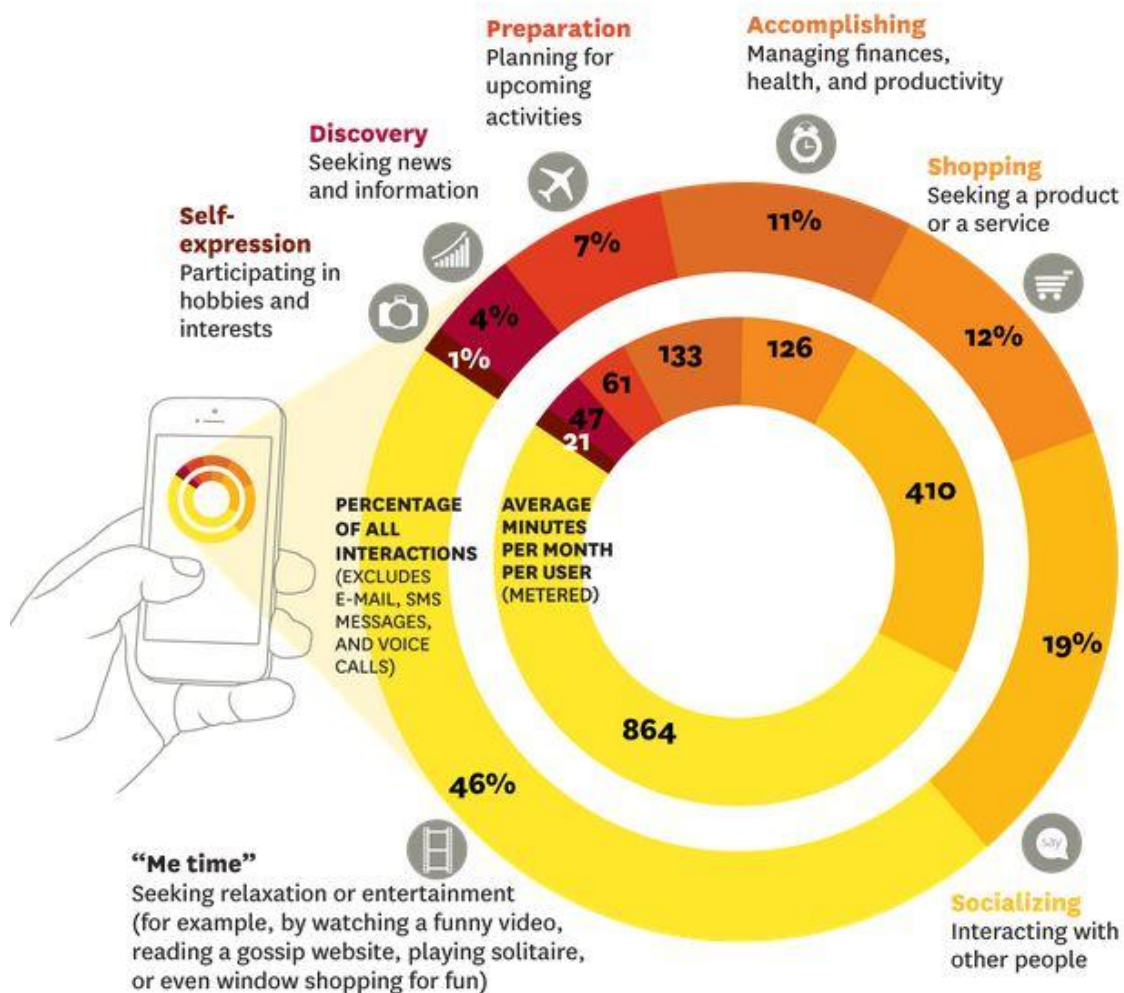
The reasons consumers use smartphones can be broken down into the goals listed at right, along with the average monthly minutes and percentage of interactions devoted to each.



SOURCES "Seven Shades of Mobile" study, conducted by InsightsNow for AOL and BBDO, 2012. In the first phase, 24 users completed a seven-day diary and in-depth interviews. In the second, 1,051 U.S. users ages 13 to 54 were surveyed, data on 3,010 mobile interactions were collected, and the mobile activities of two-thirds of those users were tracked for 30 days.

Making Bad Assumptions About App Use

Apps can have more than one purpose. Facebook, for instance, can be used for socializing, self-expression, or discovery. And if you're using a shopping app to dream about what kind of couch or pizza you might order tomorrow, you're in "me time."



The Dirty Little Secret About Location-Targeted Mobile Ads

[Tom MacIsaac, Verve](#) Feb. 19, 2013, 3:28 PM | 1,634 |

As Sir Martin Sorrell said, location targeting in mobile is the holy grail of marketing. Reaching consumers when they are out and about, on the go, interacting with both the digital and real worlds together can actually fulfill the longstanding goal of 'right ad, right person, right place, right time'.

Location is a big deal. For the history of digital advertising we've basically been targeting on a few things, like content, cookie data and search. The big new data set mobile brings to the table is location—a data set that can be as important at inferring intent, demographics, audience segments and other attributes as any we have seen to date.

And it brings genuine value to end users—helping them find products and services where and when they want them—a key attribute of the most valuable advertising mediums.

There is a lot of energy and excitement around location targeting in mobile—from agencies and brands that see the enormous potential and from technology companies that are building the next-generation platforms for harvesting and leveraging this data for marketing and advertising.

But there's one very significant problem that is holding mobile location targeting back—the market has been flooded with bad location data. And many are turning a blind eye to this fact because to acknowledge it would be contrary to their business interests.

There are many sources for actionable mobile location data. The device can share GPS level data (provided the user has opted in to share location with an app or web site). This GPS data is typically represented by latitude and longitude coordinates (lat/long) and is generally very accurate. The network can share data derived from cell tower triangulation which is also quite accurate. There is also user-supplied location data (e.g. when a user provides his zip code when registering for a site or service).

Another method of deriving location is IP address analysis, which can range from very accurate to completely inaccurate. An IP lookup can resolve to a terrestrial wifi network (like an airport or coffee shop), most of which are well indexed to location. But an IP lookup can also resolve to a carrier IP address and carrier IPs vary widely in accuracy. Many carrier IP locations are accurate to the metro or zip level, but many resolve to "backhaul" addresses—which are the locations where the carrier aggregates mobile data for transport over fiber trunks in the telecommunication infrastructure—which are generally inaccurate.

The crème of the crop in location data targeting is device-level GPS lat/long data. Highly targeted mobile advertising campaigns that are focused on targeting people in an area the size of a city block or a shopping center or a big box store require this precise lat/long data (and potentially wifi data). The problem is that lat/long data is very scarce. Most industry experts consistently estimate that about 5-10% of mobile ad impressions have lat/long from users who have opted in to share location with an app or site. This makes sense. Most apps and many of the largest mobile consumer apps—like internet radio or game apps—aren't allowed by Apple to ask for location.

One of the rules for app store approval is that, if the developer of an app has built in a feature that asks the user for location, he must have a good reason for doing so—location-based apps like Foursquare, mapping apps or local media properties sites/apps that are providing geo-aware weather, sports scores or movie times are good examples of apps that can ask for location and with which users tend to share location.

Yet, some exchanges and networks claim 70, 80 or even 100 percent lat/long impressions. How can this be? One more time—5 to 10% of all mobile impressions have lat/long but a given exchange may claim 80% lat/long?

The answer is some people are making up lat/longs. This is the dirty little secret of location-based advertising. About 12 months ago, some publishers figured out that location was the one attribute that really moved the needle in the exchanges and the "inferred" (read "made up") lat/long was born.

If buyers are paying a premium for lat/long location data and it's the only thing that can give a publisher's mobile impressions a price boost, manipulators will find a way. And they have. In 12 months' time, the number of lat/long impressions in exchanges has grown from the industry average 5-10% to the current 70-80%. Even though, generally speaking, lower quality, rather than premium impressions, end up in exchanges, so one would expect that premium lat/long impressions would be used by publishers and their location specialist partners and fewer (not more) lat/long impressions would be making it into the exchanges.

The methods being used to generate "inferred" lat/longs fall into two primary categories (although there are more): "centroids" or "randomized" lat/longs.

Centroids are lat/long coordinates that are generated by software programs that automatically pick the center of a geographic region as a substitute for either no location data—many corrupt lat/longs are dead center in the middle of the country—or for lesser-quality location data—they are in the middle of a state, DMA, city or zip.

Randomized lat/longs are generated by software programs that randomly choose lat/longs within a region. This is a really big problem for the evolution of the highly granular location targeting that has so much potential and has marketers so excited. If a marketer is targeting a particular store location, mall or office building, a particular neighborhood or city block or an audience segment that is based on inferences drawn from the context of a user's location, then bogus location coordinates are almost certainly targeting the wrong place and the wrong people and driving down performance. Garbage in, garbage out.

So what to do about it? At Verve, our roots are in building mobile tools for publishers and we work with many of the largest premium content publishers in the US providing them with a mobile publishing, web and app platform that powers their mobile content distribution.

So, for about a third of the publishers we work with, we are the first party technology platform—we know with 100% certainty what location the GPS chip in the device is generating. Also, most of these properties are location-aware, giving users good reason to opt in to sharing location.

Further, for the publishers we work with who aren't on our publishing platform, we work with most of them directly, through first party business development relationships. If we see data that our systems detect as suspect we call them up and rectify the situation—either they send us good data or we don't work with them. When we do venture into the mobile exchanges we leverage our unique proprietary technology that allows us to recognize and parse ad impressions with genuine location data from those with false location data and cherry pick verified impressions.

We work with publishers with over 108M US unique users and see almost 10 billion impressions monthly and we have more verified lat/long impressions than anyone in mobile. And when we use DMA, city, zip, user supplied or IP targeted location data—which can be valuable under the right circumstances and can help advertisers achieve scale in this emerging technology arena—we don't hide the ball and call it something else.

All of these things—cultivating inventory partners with higher than average true lat/long data, working directly with partner publishers so we can have confidence in the data being received and developing proprietary technology and models that allow us to identify and reject “inferred” lat/longs—are important in making sure we can operate our business on legitimate location data and advance location targeting in mobile. But we are also working on a broader solution that could become an industry model—a system that scores every impression for the likely accuracy of its location data and estimates the likely original source (e.g. ‘this centroid is likely derived from this zip code’) so even if the problem of “inferred” lat/longs continues we can provide a measure of transparency.

Location targeting in mobile has enormous promise. With the increasing penetration of smartphones, increasing user migration from online to mobile consumption, the increasing development of location aware apps and the increasing comfort by consumers with sharing location, we will see steady growth in high-quality, location-aware ad impressions sufficient to make this promise a reality. The lack of transparency in location data only sets us back

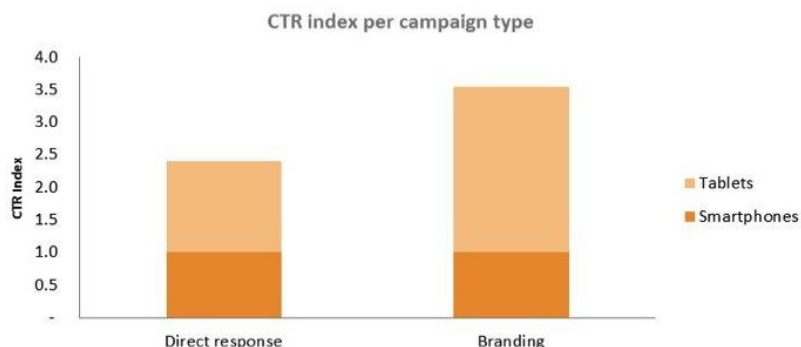
Tablets Win Over Smartphones In Ad Click-Through Rates

[Heather Leonard](#) Mar. 14, 2013, 2:37 PM | 213 |

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[Tablets Outperforming Smartphones In Advertising](#) (Adfonic via GoMoNews)

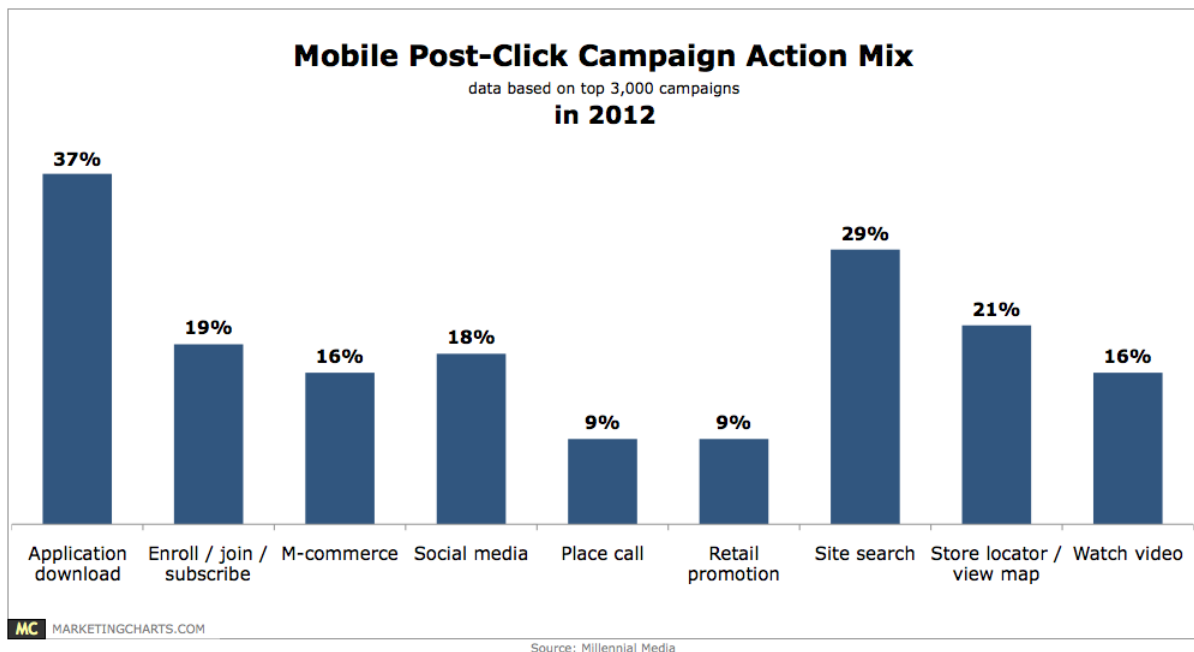


Adfonic

Adfonic, abuying platform for mobile, has released its [AdSnap: Tablets](#) report, which compares the results gained from mobile ads displayed on tablets, with those displayed on smartphones. According to the [comparison, click-through rates \(CTRs\) on tablets outperform smartphones for branding campaigns by 250 percent](#), but perhaps more surprising is the finding that tablets also beat smartphones for direct response campaigns, which are traditionally launched with less resources invested in the ad creative. The typical daily profiles of tablet and smartphone use are complementary. Tablet users tend to be more active in the evening and click more throughout the day, while smartphone users are both more active and more likely to click mobile ads in the early hours of the morning. [Read >>](#)

[Mobile Advertising Post-Click Behavior](#) (Millennial Media via e-Strategy Trends)

Sixteen percent of advertisers in the Millennial Media network included mobile commerce into their campaigns last year, according to the network's year-in-review report.



Millennial Media

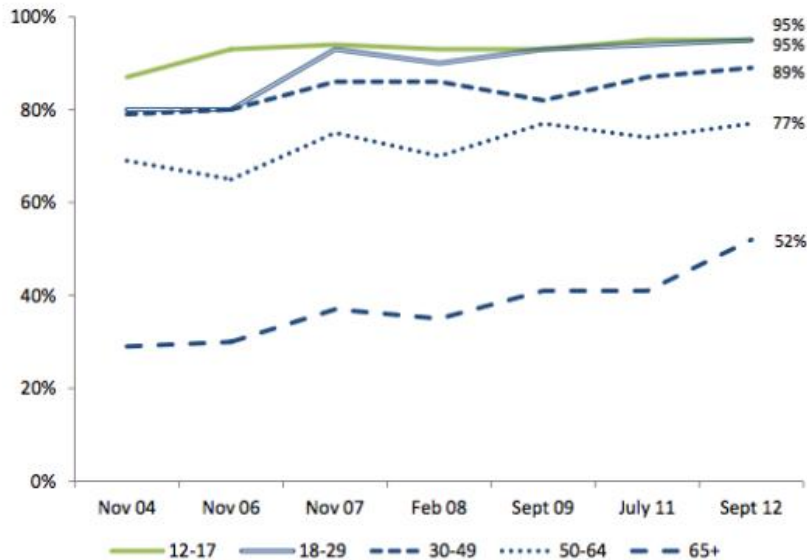
In mCommerce was offered as a post-click option less than social media (18 percent), store locator/view map (21 percent), and application download (37 percent). [Read >>](#)

[One In Four Teens Access The Internet Primarily Through Mobile](#) (Pew Research via GigaOM)

A new study from the Pew Research Center finds that one in four American teenagers accesses the Internet primarily through mobile; about three-quarters of those teens own mobile phones, and half of that group uses smartphones.

Internet use over time by teens and adults

% within each age group who go online



Pew Research Center

And probably to no one's surprise, teenagers are the age group most likely to be accessing the Internet, still outpacing older users, particularly those over 65, by a wide margin

Mobile Advertising: Size Doesn't Matter

Posted 12 hours ago by David Murphy

7

inShare

The research found that consumers are receptive to ads on smaller mobile screens, as well as tablets YuMe, which provides digital video advertising solutions, in conjunction with Decipher, a digital media research and consulting firm, has released the results of a UK-focused quantitative and qualitative research study of 1,500 respondents, examining consumer behaviour and reaction to advertising and content on mobile devices.

The study reveals that advertising on mobile devices is playing a larger role amongst consumers, expanding to encompass brand experience, as well as its traditional role as a direct response platform.

The study found that consumers are increasingly screen-agnostic when it comes to consuming content. 38 per cent of respondents accessed entertainment content on their smartphone; 34 per cent on their laptop, and 28 per cent on their tablets.

It also revealed that consumers prefer to consume content in the comfort of their homes, where they are also much more receptive to advertising. Even on smartphones, there is an almost even split in media consumption between at home (31 per cent); out and about (24 per cent); travelling (24 per cent) and work (21 per cent).

Video advertising was found to deliver on advertising engagement effectively on any device, particularly in the home environment. Pre-roll brand recall is 3.5 times higher than banner recall across all screens.

Tablets are not bigger smartphones, the study concludes. They have emerged as a particularly key device in the home, akin to laptops, in which entertainment is being consumed, and advertising effectively delivered.

Finally, the study found that, mobile delivers both as a branding experience and direct response platform. While smartphones have traditionally been thought of primarily as a direct response platform, the study shows that advertising also works on smartphones for branding. However, the effect is often to inform later decision-making, rather than immediate purchase.

“Our advice to advertisers is to throw away your screen-by-screen media planning rule books,” said Owen Hanks, general manager mobile, Europe, at YuMe. “Our survey began with the assumption that the tablet is the ultimate

media-consuming device. But what the research has shown is that media opportunities on mobile are not simply a matter of screen size; they are multi-modal functions of environment, content, and screen. For advertisers, this means that the most effective advertising is a multi-screen campaign, whilst publishers need to ensure their content is available across all screens.”

Decipher managing director, Nigel Walley, said the results of the survey had: “led us to challenge our perceptions of mobile advertising, and to debunk the myth that it is size that matters.”

You can access a copy of the report [here](#). And YuMe and Decipher will be presenting the full report at 12 noon at today's Guardian Changing Media Summit.

News:

Mobile Advertising,

Mobile & Tablet Adoption & Trends:

[According to data from Cisco](#), the number of mobile devices will exceed the world population this year. We'll hit 1.4 mobile-connected devices per capita by 2017.

[Rimm Kaufman's Q4 2012 study](#) showed that their clients saw 25% of Google search visits coming from mobile devices that quarter. However, it was only 19% for Yahoo search traffic, and 6% for Bing search traffic.

I personally would speculate that this is a result of Google being the default search engine on all Apple and Android devices. Most users don't care enough to go out of their way to change that default.

Tablets Convert Well:

Tablets vs. Desktop:

An [eConsultancy study](#) found that tablet conversion rates for Cyber Monday 2012 were on par with desktop conversion rates.

[Another study with smaller affiliate-focused data](#) reported conversion rates almost double for tablet over PC.

I think that's higher than normal based on a couple of private conversations with people working in ecommerce, but they have suggested that on par or +/- 10% is pretty accurate.

As mentioned earlier, ROI for tablet PPC can be much higher due to lower CPCs.

Tablets vs. Mobile:

The same eConsultancy study of Cyber Monday 2012 showed that tablets converted 4x better than smartphones.

Tablets By Time of Day:

No big surprise here, but a [Get Elastic study](#) (they produce tablet ecommerce sites) showed that tablet conversions are highest on nights and weekends. If

you're doing email or social media marketing, take this into account when scheduling content to go out at night and over the weekend.

Arggh! So Much Data! Where Do We Focus?!

[eConsultancy did a few studies in late 2012](#) to find out where digital marketers were focused their efforts for 2013. Here are a few of the charts along with my commentary. Charts created by [MarketingCharts.com](#), an awesome website that I used heavily in creating this presentation.

Nielsen Starts Measuring Effectiveness of Mobile Ads

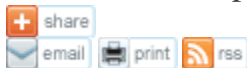
Flurry, YuMe and Zynga Will Be Nielsen Mobile Brand Effect's First Customers

By:

[John McDermott](#)

Published: [March 06, 2013](#)

554share this page



Got an opinion about that ad on your smartphone? Nielsen wants to hear it.

The media measurement company is expected to announce Wednesday **it will start assessing consumer sentiment regarding in-app mobile ads with its new product Nielsen Mobile Brand Effect**. Now available in the U.S, it's already being used by app analytics firm Flurry, multi-screen ad network YuMe and social game developer Zynga.

Mobile Brand Effect will bring Nielsen's traditional brand metrics -- awareness, attitude, favorability and purchase intent--to Android, iOS and Windows devices via in-app surveys. (No dice, BlackBerry.) After a user is exposed to a certain in-app ad on a smartphone or tablet, he or she may be invited to take a one-question survey about that particular brand or product.



Whether or not mobile users will be receptive to these surveys is unclear. Consumers generally find mobile ads to be more interruptive than television ads, according to a [Forrester survey](#) released in late 2012.

"Being interrupted while checking email and using apps is not desirable," Peter Dille, CMO for mobile advertising and monetization company Tapjoy, said in an earlier interview.

The Mobile Marketing Association (MMA), a non-profit trade association that Nielsen is a member of, endorsed the product and said that [improved mobile ad metrics are crucial](#), regardless of how annoying mobile surveys may be.

"If we don't have measurement tools, and if we don't evaluate the performance of the experience we're providing, there's no way we can continue to improve and evolve," MMA managing director Michael Becker said. The survey results will determine what kinds of mobile ads are too intrusive, he added.

Nielsen's distinct advantage in mobile ad metrics is its reach in measuring other mediums. Mobile Brand Effect findings will be tied to the company's browser metrics. It will not be tied to Nielsen's signature TV ratings initially, but the company is working to develop that functionality. Eventually, Nielsen hopes to create a suite of metrics that inform how brands can most effectively market across various devices.

Although Nielsen is widely considered the most renowned company in traditional media research, measuring mobile app ads will be a challenge for a company that made its name in TV. Nielsen Mobile Brand Effect will be competing with digital analytics firm comScore which has already conducted several hundred case studies on how in-app ad campaigns affected brand lift.

There are also a handful of venture capital-backed startups that, while young, have been developing mobile ad solutions for years.

Nihal Mehta, CEO and co-founder of ad tech startup LocalResponse, said that even though Nielsen might be behind technology-wise, Nielsen Mobile Brand Effect helps legitimize the mobile ad industry.

"Maybe [Nielsen is] late to the party, but it's still the gold standard," he said

Data, data, data: collect, cookie, and connect. One of the knocks on mobile has been the lack of tracking - particularly across SMS messaging. Look for many advances on this front as tracking, tagging, and tying cookies to devices and device IDs becomes increasingly prevalent

Is Mobile Video Advertising More Effective Than TV Spots?

by [Steve Smith](#), Yesterday, 9:53 AM

It is a fair question. And intuitively, it would make sense for a video ad to be more impactful on handsets than on the living room tube. After all, consider the different circumstances and uses cases of mobile video watching compared to TV spot viewing. TV suffers both distractions and absent viewership. Mobile pretty much requires a higher degree of focus, and unlike the Web, it doesn't have an alternate window or email to check when the pre-roll is running. On TV mobile is the possible "second screen" distraction -- while on mobile, well, that is the second screen.

So it isn't too surprising that rewards-based pay-per-view video ad net Tapjoy reports that in recent weeks it has flown a number of campaigns in the telecom, auto, finance and consumer goods segments that consistently outperform TV in brand recall metrics. Tapjoy is active in about 5700 apps -- mostly games -- and allows the user to exchange in-app points and content access for opting in to an ad engagement.

For a telecom campaign, for instance, the Tapjoy videos produced a 48% higher recall, vs. 22% for TV, and the mobile campaign generated 25% brand likeability vs. 11% for the TV spots.

In another newly released case study, a campaign for GMC's new Terrain SUV saw an 80% video completion rate, producing over 800,000 views. The net result was a 33% higher awareness and 42% higher brand recall.

To be sure, the results have the distinct advantage of being opt-in. Users not only choose to view the video but often can choose their advertiser, so self-selection is at work here. And as always, there is the issue of scale. 800,000 video views on a handheld is none too shabby, when you can find them. But Tapjoy CMO Peter Dille tells me that while scale is important to many of the advertisers in the system, "this is a bidded model. The advertiser can pay what they want, not a CPM they have to back-end into. A number of

advertisers are coming to us for customer acquisition or direct response, and for that stuff this works like no one's business."

Tapjoy still has at its core gaming app inventory, since that content type is so compatible with in-app value adds that a sponsor can underwrite in exchange for an ad view. But Dille says Tapjoy has been expanding in recent months to messaging apps like Pinger, dating apps and also even video apps where ads can be exchanged for watching movies. The company boasts 1.3 million daily conversions of mobile viewers into some form of action, whether it is viewing a video, downloading another app or sign-ups. Between 2010 -- Tapjoy's first year in the space -- and 2011, revenue rose from \$20 million to over \$100 million, and Tapjoy "in 2012 exceeded \$100 million by a comfortable margin."

As mobile video gains greater scale, a legitimate comparison can be made between TV and device-bound impact. In order to fully understand the nature and kind of differential between platforms, we will need to know more about the impact of straight pre-rolls against mobile video clips and shows, of course. But there is a strong common-sense case to be made about the special engagement with video advertising that a mobile platform requires, over both TV and Web. We should be talking more about the "intimacy dividend," how the form and focus of mobile benefits engagement and immersion. Focus trumps screen size any day.

Marketers Search for Mobile Clarity at CES

[Matt Kapko](#) | January 10, 2013 | [2 Comments](#)

To integrate or not to integrate - that is the question that marketers, brands and agencies are still debating at CES 2013, held in Las Vegas. While online publishers are increasingly pushing for multi-platform buys across mobile, tablet and desktop, there continues to be a wide gap between the mobile first (or mobile only) crowd and those who put their efforts into fully integrated marketing campaigns that reach across platform and device.

The answer for most is somewhere in the middle, but that certainly doesn't help brands get the most effective return on their ad spend. The meandering quest for the right mix of marketing and advertising to tablets, smartphones and desktops is nothing new, but the potential audiences available in each channel has shifted dramatically.

"We say human first instead of mobile first, and sometimes we say context first," said Alastair Green, executive creative director at Saatchi & Saatchi subsidiary Team One.

During a panel discussion about tablet and smartphone advertising at CES, Green noted that his agency commands about \$50 million worth of mobile advertising building,

creation and execution. "We're actually creating one experience but it can go in so many places," he added.

"The concept of a tablet first or tablet-only entity doesn't work," said Harry Kargman, founder and CEO at the mobile publishing platform Kargo. "What we're seeing is that you have to be a cross-device company."

When Grace Dolan began working on mobile search at Google around three years ago, the phone, tablet and desktop were too simply defined by their use cases, she said. "What we're learning is it's more about the context and we can learn about context with GPS, location and other signals. The device itself is one of many signals," said the head of Google's mobile search solutions in North America.

Agencies, marketers and publishers all need to understand how these devices are being used, or when users are shifting from one to another, said David Berkowitz, VP of emerging media at 360i, a digital marketing agency.

Mandar Shinde, director of mobile monetization at AOL, said that once the industry moves beyond all the confusion caused by disparate formats, mobile will no longer be seen as a buy, but rather a differentiated media and positioning strategy as part of a fully integrated campaign. He added that at least 15 percent of AOL's users don't go back to the desktop, and the percentage is even more profound on certain AOL properties.

"There's a fundamental disconnect in how dollars are being spent," Kargman added. Most agencies are focused on desktop advertising, but that potential pool of online users doesn't always represent the largest potential audience for brands. "Most media companies have 35 to 40 percent mobile usage, but it's quickly becoming 50-50," he said.

Jonathan Weitz, the moderator of the panel and partner at IBB Consulting, said mobile advertising is forecast to reach \$10 billion by 2015. Although mobile advertising will still be smaller than cable, broadcast and web advertising, with a 35 percent growth rate in mobile it won't take long for the tables to turn.

How e-retailers boosted holiday sales

With more mobile sales, e-retailers dealt with more competition from stores.

Stefany Moore

While some faced tougher price competition, Santa was good to most e-retailers this past [holiday shopping season](#). Many of the Top 100 online merchants report strong year-over-year revenue gains and major growth in mobile traffic and sales.

CVS Caremark Corp., for example, experienced a 30% growth in traffic compared to the 2011 holiday season, with a 300% growth in mobile app usage. Online-only discounts

and an increased desire among customers to avoid crowds around Black Friday, the day after Thanksgiving, contributed to that growth and drove strong sales earlier in the shopping season than last year, says a spokeswoman for the pharmacy retail chain. “More shoppers this season were looking to get a head start on checking off their gift lists, and that coupled with the attractive deals on CVS.com lured in shoppers earlier than usual,” she says.

The same is true for other major retail chains including American Apparel Inc., which experienced a 125% growth in sales on Cyber Monday, or the Monday after Thanksgiving, and the following Tuesday, says Stacey Shulman, chief information officer and head of e-commerce. “We had anticipated four times the traffic from Cyber Monday 2011, but we ended up with 20 times the traffic,” she says. She attributes American Apparel’s ability to handle the increased traffic and sales to the retailer’s migration, just prior to the holiday season, to a new ATG Web Commerce e-commerce platform from Oracle Corp.

Mobilize or Die: 9 Reasons Why Marketers Must Adopt A More Mobile Mindset in 2013

BrodyJan 8th, 20130 Comment

Over the past two years, we’ve had the privilege of helping over 25,000 brands grow their Facebook fan bases, drive more engagement, and increase their social ROI using our suite of powerfully simple Facebook apps. Businesses of all sizes from every industry imaginable have used North Social promotional apps to distribute millions of digital coupons, capture millions of email addresses, and reward throngs of lucky sweepstakes winners with everything from salty snacks to concert tickets to family vacations to sports cars.

While serving up a nice desktop promotional experience is applaudable, we at North Social are not ones to cling to our past successes. We demand more. Our customers demand more. Their mobile-phone carrying consumers expect more.

Listen, mobile is no longer a “nice-to-have” support medium. It has quickly become THE medium. Over two-thirds of Facebook and Twitter traffic is already coming from mobile devices (let me guess, you’re probably reading this post on your smartphone). This fundamental shift demands a new innovative approach. Without your brand promotions being accessible from any device (smartphone, tablet, or PC), you’re failing to reach 60-70% of just your social media users.

Not having a smart mobile strategy for your brand is no longer an option. It’s paramount. If you fail to pivot towards the mobile wave of opportunity now, your consumers will happily rush off to spend quality time with your more mobile-friendly competitor. This is not a bold prediction. This is the harsh reality. In fact, it’s why our team of cape-wearing developers have spent every waking hour in the last half of 2012 to build the world’s only app platform to work seamlessly across mobile, tablet, and desktop.

That means brand marketers should begin carving out budget and devoting even more resources to reach and engage the on-the-go consumer. Quit bucketing marketing spend by medium or device. It’s time to divvy up those dollars based on consumer behavior. Throw last year’s plan out the window, it’s time to adapt and evolve to this new marketing climate. Because if you don’t, like the Woolly Mammoth, your brand will soon become extinct.

“It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change” – Charles Darwin

Okay, if you’re still not convinced mobile is the NOW and FUTURE (or need to feed even more rationale to your Razr phone carrying boss), here are 9 Reasons Why Marketers Must Adopt A More Mobile Mindset in 2013.

1. The Stats Don’t Lie

To see how big of an opportunity the mobile market is, we must take a deeper look at the actual numbers:

- There are 7 billion people on Earth. 5.1 billion own a cell phone. 4.2 billion own a toothbrush. (*Mobile Marketing Association Asia, 2011*)
- 91% of all smartphone users have their phone within arm's reach 24/7 – (*Morgan Stanley, 2012*)
- 60% of Facebook's 1 Billion users access Facebook on their phones. These people are twice as active on Facebook as non-mobile users (*Facebook, 2012*)
- Mobile marketing will account for 15.2% of global online ad spend by 2016. (*Berg Insight, 2012*)

2. More Access = More Engagement

The mobile phone is by far the dominant way consumers access websites, Facebook, and Twitter. Don't believe the hype? The average American spends 94 minutes per day utilizing mobile apps vs. 72 minutes of web-based consumption? It's just a matter of time until mobile surpasses television as the King access point of ALL media. Take that Howard Stern.

3. Social Is Mobile

I previously mentioned that 60% of Facebook's traffic is mobile and increasing rapidly. But up until now, the only way to reach your Facebook fans on their phones (with an optimized experience) was via the news feed.

Then there's Twitter, whose sizable user base is almost entirely mobile. Wouldn't it be great if you could launch the same user experience across social, mobile, and PCs? (**strong hint:** with [North Social web apps](#) desktop users will get the same Facebook app experience they already love. While mobile users will get a promotional experience tailored to their phone or tablet).

4. Mobile Advertising Has Matured

By now you all know that brand promotions don't just go viral on their own – online or off. Before you're able to brag to about your ROI on your next campaign, you must first put some wind at your promotion's back by generating some meaningful and measurable awareness. The good news? The mobile ad market has grown out of puberty, and is starting to flex its new muscles. Brand marketers now have a large inventory of more mature tools at their disposal to hyper target and connect their messages to their on-the-go consumer. Facebook has gone all in. They grew their mobile ad revenue from a flat zero in 2011 to nearly \$340 million in 2012, and are projected to pull in around \$850 million for mobile ads in 2013.

So whether you're looking to drive more brand awareness, consideration, sales, or consumer loyalty, you should be trying out a number of the available tools to optimize user engagement from mobile ad clicks. Get to it. Test > Measure > Modify. Practice won't make perfect, but it will help you stay ahead of your competition and in front of your key consumers.

5. Frictionless Entry

The most successful promotions are usually the ones that have the least friction to enter. You never want to jump through too many hoops in order to participate in a brand experience. I know what you're thinking, what about the QR code? First off, this technology was originally created for industrial purposes as a way to keep track of inventory NOT for giving consumer's access to a website. Any brand marketer that believes QR codes are the answer to quick and effortless entry into a consumer experience need to have their head examined. They may look good in concept or a sexy pitch deck to a client, but the user experience is not inviting to say the least.

Let me break it down. Before scanning their first QR code (**friction point #1**), one has to download a scanning app manually (try to browse the app store and not get distracted) and then figure out how to use it (**friction point #2**). Then the consumer has to wait for their camera to ready itself to take a photo (friction point #3), they then have to get the right distance away and shoot a well lit, in focus photo of the code (friction point #4). Then, each time there's a QR code to scan, they have to be sure they're using the correct scanning app for the right QR code (friction point #5). Yes, QR codes are a giant pain in the ass.

The goal is to get prospective consumers to spend time with your brand, not the actual technology that is powering your brand promotion. Consumers are about convenience, so make participation easy for them. Here's a brilliantly basic thought; how about asking your short-on-time and patience consumers to just type in a straightforward URL on their phone or tablet? (**ahem:** *North Social's new device-agnostic [web apps](#) enable your consumers to enter sweepstakes or photo contests without ever having to power on their PC, connect to their favorite social network, or download and use a complicated app...*).

6. Instant Reward and Follow Through

Smart mobile apps allow you to collect customer data and hit your customers back with instant response emails that include coupons, links, and more. Sure, there are a small (and shrinking) pool of brands that ask consumers to save proofs of purchase from their favorite cereal brand and mail them in to claim their \$1.00 off coupon, but it's clearly time to adjust. Sure people still like to save money. Who doesn't? But the distribution and redemption game has changed. Because consumer behavior has changed. Fact: mobile coupons are now redeemed 10 times more than traditional coupons (my apologies to Cap'n Crunch). But the more challenging brands continue to make it for consumers to access the content they want, the sooner they will jump ship and find another more accommodating brand to support.

7. Mobile Puts The “R” in Retail

For brands that have an offline presence, mobile is the perfect companion to an in-store promotional campaign. The goal has always been to connect with customers when they are contemplating a purchase. Now with mobile optimized apps, you can enable instant digital coupons and rewards right at the point of sale. Tag your in-store marketing communications (table tents, coasters, signage, danglers, decals) with a mobile-friendly URL and you’ve now elevated your consumer’s in-store buying experience. **Tip:** if you’re a clothing brand, you should think about putting up some POS with a motivating mobile call to action in the dressing room to push them one step closer to your desired destination, the checkout counter.

8. Real-Time Consumer Feedback

Successful brands are constantly asking their consumers exactly what they want and what they can do better as a business. The problem, to fully get large numbers of consumer to participate in such initiatives you must 1) properly incent them; and 2) make it convenient for them to provide quick feedback (blasting their in-box only works so well). Well, a mobile survey is a lot more convenient and can help you quickly gain valuable insights to: a) understand your target; b) get product feedback; c) measure customer awareness; and d) learn more about customer buying habits. Whether you’re a hotel, airline, or restaurant, printing a mobile-optimized URL on a piece of POS and asking your consumer to give you instant feedback in order to receive a discount on their next purchase will outperform a traditional survey sent via email every time.

9. It’s Called A Smartphone For A Reason

The mobile phone is essentially the brain of your customer. Outside of communication, they use mobile phones for virtually everything from entertainment to education to exercise to yes, researching potential purchases.

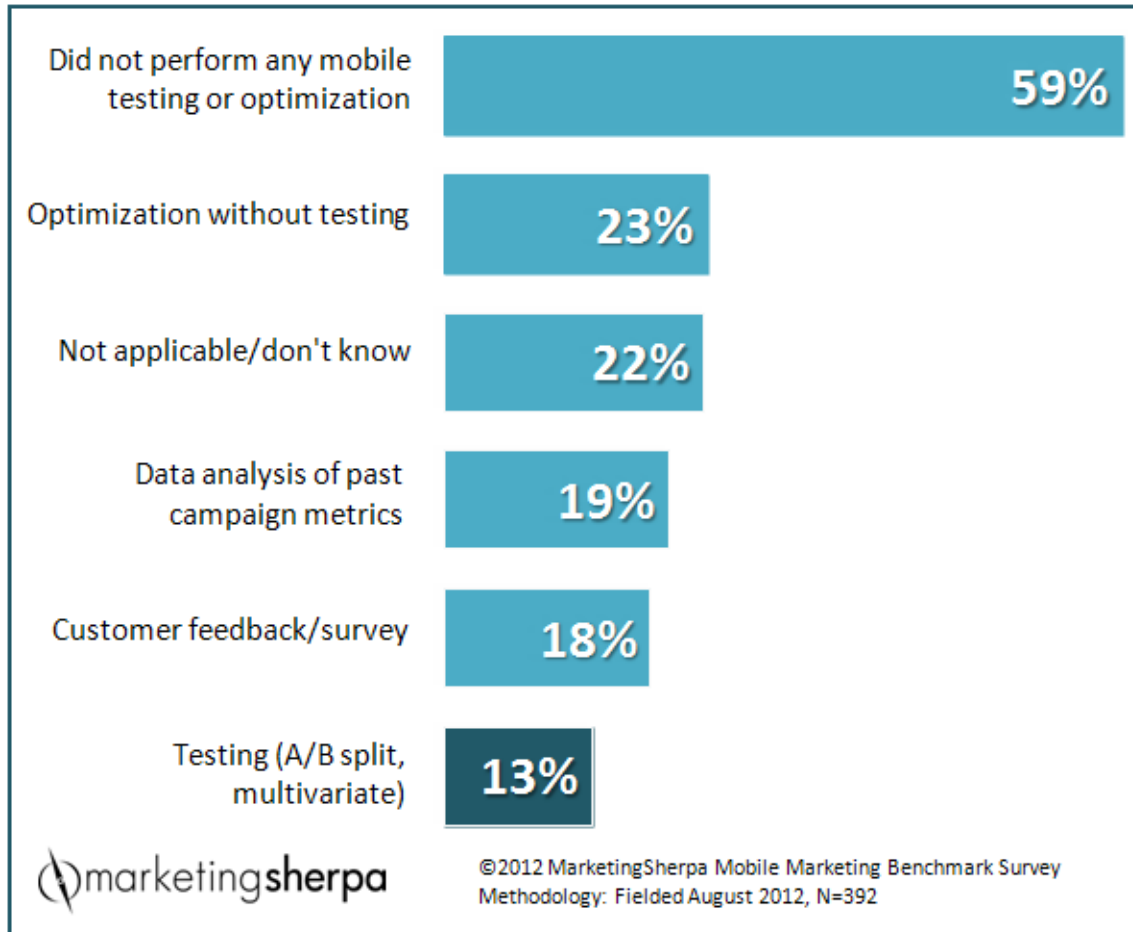
Did you know that 71% of mobile consumers do research on their smartphones after being served a captivating television or mobile ad? What about B2B? Well, more than 59% of B2B purchase decision makers and influencers turn to their smartphones to gather intel when purchasing products or services.

• Too soon for gloom on mobile advertising

- Mike Vorhaus, Special to USA TODAY 8:24a.m. EST January 5, 2013
- 0 CommentsShare
-
- An Apple iPhone displays the splash screen for Facebook's app.(Photo: Karen Bleier, AFP/Getty Images)
- (EDITOR'S NOTE: This is a guest column by an expert in the tech industry. In it, Mike Vorhaus discusses the future of mobile advertising.)
- There has been much doom and gloom written about the prospects for mobile advertising revenue for companies like Facebook and others. For many months the consensus on Wall Street was that the "mobilization" of Facebook was a disaster for the company's potential advertising revenue. Then in the last month or two, Facebook has rallied as analysts begin to see signs of mobile advertising success.
- While small banners and boxes will be of modest value as a smartphone ad, that is just a small part of what savvy observers should be thinking about when analyzing the opportunities for companies to drive revenue from mobile advertising.
- First of all, not all ads on mobile have to be little banners and boxes. A huge number of consumers are watching video on their tablets and a considerable number are watching video on their smartphones. This content can all come with VIDEO mobile ads – which are much more engaging than little banners.

Furthermore, video ads come with higher CPMs than non-video mobile ads – in some cases mobile video ads will get a CPM readily 50% more than a non-video ad.

- The key point is each platform – PC/laptop, tablet, smartphone, connected TV, etc. – has different types of ads. Radio ads are different than TV ads are different than newspaper ads are different than billboards. You get the point.
- So mobile ads will be different than Web ads on your PC. Smartphone ads will be different than tablet ads. What has worked on the Web with advertising will not be directly replicated on mobile. Ads will look and act differently on mobile devices than on the Web on PC.
- Secondly, we are in the very early stages of mobile advertising based on location. Geo-location ad targeting may well turn out to be a profitable marketplace for advertisers particularly those offering coupons and deals. Certainly many advertising executives and marketers talk about this a lot and have indicated to us that they intend to explore this area deeply.
- Thirdly, not all mobile devices are small – remember tablet devices are considered mobile devices too, not PCs, and traditional online advertising looks good on tablets and does not have the "smallness" problem of smartphone mobile ads. Furthermore, tablet ads are getting a premium relative to smartphone ads. MoPub indicated in a recent release from Goldman Sachs that iPad ads had a 70% premium over smartphone ads.
- In this current year, U.S. consumers are using about 10% of their media consumption time on mobile devices, yet advertisers are spending only 1% of their ad spend on mobile. This reminds me of the early days of the Internet when I was working with AOL, Excite and other major dot.coms. For years there was a huge disparity in the amount of time consumers spent online vs. the tiny amount of advertising money spent online.
- Now, today, that gap has closed and consumers are spending about 26% of their time online and 22% of the advertising dollars in the U.S. now go to Internet sites. The Internet ad spend vs. consumer time spend closed and I believe mobile advertising revenue will rise and close that gap too.
- *Mike Vorhaus is President of Magid Advisors. Magid has a professional relationship with Gannett, the parent company of USA TODAY*



SoLoMo: Time to Get Social, Think Local, and Spend Mobile

ONLINE MARKETING

By [Chris Horton](#), Published January 8, 2013

[Be the first to comment!](#)

Today's sophisticated consumers are using mobile devices to access social media and business web/ecommerce sites. They're roaming the streets clutching smartphones and tablets looking for things to do or to buy. To compete in this new SoLoMo environment, businesses need an integrated approach. Brands need to get social, think local, and spend (on) mobile.

WHY SoLoMo?

The future of social is mobile. According to 2012 US [consumer data](#) from Nielson, 85 million social media users are accessing their favorite social networks via smartphone apps, and 81 million from mobile web browsers. In a

[similar study](#) of US mobile users, Nielson found that social media engagement was the second most popular mobile activity (behind texting), monopolizing 10.2% of all time spent on mobile devices. The deep connection between [social and mobile](#) should come as no surprise when you consider that mobile users prefer visual, concise, and contextually relevant content.

Contextual relevance is where the “local” in SoLoMo comes into play. Interestingly, in the aforementioned Neilson study, accessing maps/location-based apps was one of the top eight most popular activities for US mobile users (2.8%), almost paralleling mobile browser usage (3.3%).

The [importance of contextual relevance](#) in SoLoMo is further underscored by the findings of another 2012 [Nielson study](#) on smartphone shopper activities, which reveals that 78% of mobile shoppers turn to their smartphones to find a store, 63% to check prices online, and 22% to comment on a purchase. These data anecdotally suggest social mobile apps providing user-generated reviews and location-based offers have a significant influence on mobile consumers.

Companies with a brick-and-mortar presence need to ensure they are easily accessible when prospects are nearby. Whether it's SMS Text Marketing, local SEO, local discounts and offers, geo-fencing, or location-specific daily deals, proximity creates top of mind awareness and drives conversion. Each of these geo-local marketing techniques is most effective when executed with a SoLoMo mindset.

MOBILE APPS ABOUNDING

As mobile device usage proliferates, users are becoming ever-more reliant on mobile apps for search and targeted needs discovery. The mobile apps (whether from brands or third party app developers) which provide simple and convenient user experiences and allow for painless conversions will be the real winners. Get ready for a spate of geo-local, retail, and specific-use mobile apps to pop up in the coming years.

I like mobile apps (setting aside the web vs native vs hybrid argument for now); I think [they are the future](#), and eventually almost every company will offer some form of mobile app to enhance, connect, simplify, etc.

Regardless of your position on mobile apps, your brand should take mobile seriously, reviewing all marketing and operational processes through a mobile lens. Are you spending resources (financial and human) to ensure your organization is optimized for mobile (whatever that might mean for you)? If not, why not?

DON'T FORGET THE PI

Companies and marketers who want to be on the right side of the historical shift to SoLoMo should recall the PI principle...not the famous mathematical formula, the OTHER PI principle:

Participate – If both you and your brand have not gone social mobile, it's high time. Part of achieving success in business is to know when to recognize a fad from a paradigm shift. Beepers=fad. QR Codes=Fad. Social Media=paradigm shift. Mobile=Paradigm shift.

Hey, I'm all for waiting on the sidelines until a new business technology fully proves itself. For social media, the train left the station some time in 2011; for mobile, it left sometime last year.

Integrate – The concept of integration in technology has a long pedigree, ever since Thag first attached a wheel to his barrow. However, the widespread adoption of Internet, social, and mobile technologies by an increasingly demanding consumer base requires your brand combine SoLoMo into one integrated digital marketing strategy.

The bottom line? Time to get social, think local, and spend mobile

ANA: Marketers Excited, Frustrated By Mobile

by [Mark Walsh](#), 9 hours ago

Virtually all marketers currently use or are planning to incorporate mobile into their marketing mix, with 85% planning to increase their mobile budgets in the near future, according to a new study by the Association of National Advertisers (ANA) and MediaVest.

The finding was based on an online survey conducted during the fourth quarter among a sample of 68 client-side marketers (and ANA members) who are using or plan to use mobile media initiatives to reach consumers.

While the survey indicated a widespread embrace of mobile marketing, it also showed continued frustration with the lack of ROI measurement and accountability in mobile. Only 21% reported having solid success in mobile—a slight decrease from 2010.

“Brands are clearly excited about the possibilities, but at the same time, perceived success rates have not increased significantly,” said Bob Liodice, ANA President and CEO. The industry as a whole must move quickly to standardize measurement practices and address privacy issues.”

Some 42% of marketers expressed concerns with having proper mobile metrics in place, and another 42% cited the inability to prove ROI as a barrier to further mobile development.

Conversely, the study indicated the top three draws of mobile for marketers are capturing reach with unique audiences (85%), ability to deliver content on the go (80%), and location awareness (78%).

Among other insights, the study showed the following on mobile strategies and funding:

-The most often used tactics include mobile websites (84%), search (78%), apps (76%) and display (75%).

-More marketers plan to start using location-based services (28%) in the future than any other mobile tactic.

-Most funding for mobile is reallocated from other marketing budgets, such as traditional (37%) and digital (26%) marketing

Brand Advertisers Coming to Mobile Despite Ineffective Rich Media Ads

Mobile ads outperform online but prices lag By [Tim Peterson](#)

- January 15, 2013, 7:00 AM EST

A couple years ago, rich-media ad units were all the rage. Oh snap! Videos and expandable banners and Twitter streams and buttons on top of buttons; 'How can consumers and big-budget brand advertisers not come to love these interactive ads?' many proclaimed.

The same story was told when rich media ads hit mobile, but so far rich media mobile ads have been a failure—though, counterintuitively, the courtship of brand advertisers has not been.

Check out some of these numbers: during this past December—the peak of mobile's biggest spending season—rich media mobile ads cost 1.6 times as much as their static counterparts but only returned 1.2 times the clicks, according to a report by mobile ad exchange MoPub. "In our view, [mobile rich media ads] are not quite meeting the expectations everyone had going into it," said MoPub's director of product marketing Elain Szu.

Making the most of a mobile video pre-roll

By [Lauren Johnson](#)

January 11, 2013

Marketers are increasingly looking to mobile video to add engagement to campaigns. However, with a small window of time to leave a lasting impression, nailing the mobile pre-roll is a must.

Even though there are big opportunities around mobile pre-rolls, there are still challenges around tracking and measurement. For the best results, marketers should tie pre-roll initiatives with other mobile video components.

“In order to make the most of their mobile pre-roll campaigns, marketers should require transparency into which apps and mobile Web sites they are running on and set very clear campaign goals and success metrics prior to campaign launch,” said Matt Young, director of mobile at [BrightRoll](#), San Francisco.

“These success metrics could include view-through rates or brand lift,” he said.

“Pre-roll, whether it’s on mobile or PC Web, is a powerful way for TV brand advertisers to get their messages across to consumers on the devices they are now using the most. In-banner mobile video, or rich media display units that require the extra step of a user to click on an icon or a banner to launch a video, don’t offer the same TV-like engagement as pre-roll.”

Activate on mobile

Compared to other types of mobile advertising, one of the biggest challenges with mobile pre-rolls is that consumers have a small window of time to soak in a brand’s message.

Therefore, making the most of the ad unit with a clear call-to-action is crucial. However, the call-to-action needs to match the campaign’s objective.

In some cases this means including a button that links to a company’s mobile site to learn more. Incorporating an image overlay that uses a handset’s built-in GPS to find a nearby store or links to a brand’s social media site can also be effective, per Mr. Young.

In either case, the key is to offer a call-to-action that ties directly into the pre-roll’s content with an upfront value.

For example, a retailer could leverage mobile video pre-loads to tie in with an offer or deal. On the other hand, a quick-service restaurant would benefit from incorporating a store locator into campaigns to drive foot traffic.

“These interactive opportunities give the user the opportunity to raise his hand and say ‘Yes, I’m interested in your brand,’ and identify himself as your key target audience,” said Sarah Nagle, Northeast regional sales manager of mobile and connected TV advertising at [Tremor Video](#), New York.

“Unlike other mobile video ads available, pre-roll gives you the opportunity to connect with your consumers when they are primed to consume and absorb video content,” she said. “You can reach consumers in a full screen, often very personal, environment, before content they love and are excited to watch.”

“Creating custom ad experiences by adding additional layers of interactivity on the video gives viewers a chance to interact in ways native mobile video players don’t support.”

Trackable ads

Another challenge with mobile video pre-rolls is around targeting limitations.

Without a reliable mobile cookie, advertisers might be hesitant to test out mobile versions of pre-rolls compared to online units that have better forms of audience measurement and behavioral targeting.

Therefore, savvy marketers look at how pre-roll units fit into a bigger picture of a brand’s mobile advertising strategy.

“Marketers see pre-roll as the holy grail of video inventory, but because of tracking and inventory limitations, marketers should seek out other venues for mobile video,” said Srikanth Kakani, CEO of [Vdopia](#), Fremont, CA.

“Mobile video content consists mostly of movie trailers, TV shows, music videos and tutorials, so it is challenging for marketers to run pre-roll with related content,” he said.

One way to incorporate mobile pre-roll into broader campaigns is with banner ads. Mobile banner ads are often criticized for not being as interactive as other forms of advertising.

By incorporating a video into a banner ad, marketers can not only add some interaction to an ad, and it can be used by marketers to hone in on a specific group of mobile users by interest or demographic.

Additionally, marketers can look beyond only running pre-rolls before video content begins. For example, popping a video ad up when a user opens an app can be an easy way to incorporate a short clip.

“Since mobile rich media ad serving is available on most publisher sites and mobile apps, sometimes this is the quickest and most scalable way to deliver mobile video ads,” said Diaz Nesamoney, CEO/founder of [Jivox](#), Redwood City, CA.

“The advantage with pre-rolls of course is the same as on the Web – users will definitely see the mobile pre-roll ad as it will have to be viewed before the video content can be viewed,” he said.

Opportunities around video interstitials and tap-to-expand display ads also create compelling opportunities for marketers to think beyond only exclusively using pre-rolls.

With limitations around targeting, building brand awareness is one of the best use cases for mobile video, according to Eric Franchi, co-founder at [Undertone](#), New York.

“Because consumers have a very narrow focus when watching video on a mobile device, pre-roll video is a great way to deliver an immersive ad experience,” he said. “User-initiated ads elicit more positive emotion from consumers than auto-play ads, so pre-roll presents a much better branding opportunity than interstitial video on a mobile platform.”

“Despite the hockey-stick growth of mobile content adoption, the availability of true mobile video pre-roll is limited.”

The shorter the better

When it comes to mobile video, shorter is always better. Therefore it is critical that marketers pair content down to the bare minimal to most effectively use the channel.

Even though a 30-second clip might work for an online video, 15 seconds suits mobile better because of users’ shorter attention spans with smaller screens.

Additionally, brands need to remember that mobile users are more likely than not watching short content, meaning that a device’s bandwidth also needs to be taken into account.

“Folks on limited-data plans may have an issue with ads taking up that precious bandwidth,” Jivox’s Mr. Nesamoney said.

“Interactive overlays on the pre-roll help by providing a way to get brand messaging across without using a long video,” he said.

Mobile Marketing: Many Doing It; Few Doing It Well

by [Aaron Baar](#), Yesterday, 4:10 PM

Mobile marketing is like sex: nearly everyone is doing it, many want to do it even more, but no one feels they're doing it particularly well.

According to a new study from the Association of National Advertisers and media agency MediaVest, 96% of marketers are currently using or planning to incorporate mobile marketing into their broader programs, and 85% of them are expecting to increase their mobile budgets in the near future. But only 21% of those marketers feel their efforts are particularly successful.

"Marketers know that [mobile] is evolving from a consumer standpoint, and they need to be there. But they don't feel as comfortable as they would like in measuring its success," Marni Gordon, vice president of conferences and committees for the ANA, tells *Marketing Daily*.

The biggest hurdle, Gordon says, is a lack of standardization when it comes to mobile marketing measurement, which leads to little clarity when it comes to return-on-investment. According to the survey, 42% of marketers said they're concerned about having the proper metrics in place to judge a campaign. Another 42% said they're concerned that they're unable to prove ROI.

Such lack of standardization has led to three industry groups -- the ANA, the 4A's and the IAB -- to work to create a standardized system under the banner "3MS" (Making Measurement Make Sense). Creating such a system will allow marketers to compare apples to apples when it comes to mobile marketing programs, Gordon says.

"The opportunity is that '3MS' will ultimately lay the groundwork to lay the metrics in place," Gordon says. "This will be a longer-term process. The hope is with that initiative that will lay the groundwork for mobile and social and other media."

The lack of clarity, however, isn't keeping marketers from attempting to create mobile marketing programs, often at the expense of other media. According to the survey, marketers are reallocating funds from traditional media budgets (37%) and digital budgets (26%) to pay for mobile marketing programs. And, the top three draws of mobile were: reaching unique audiences, delivering content on the go and knowing (via location services) where a consumer is at any given time.

"The opportunities can be so huge," Gordon says. "Just knowing that you can find out where a consumer is at any time and that your product is available at a Walmart or a drug store."

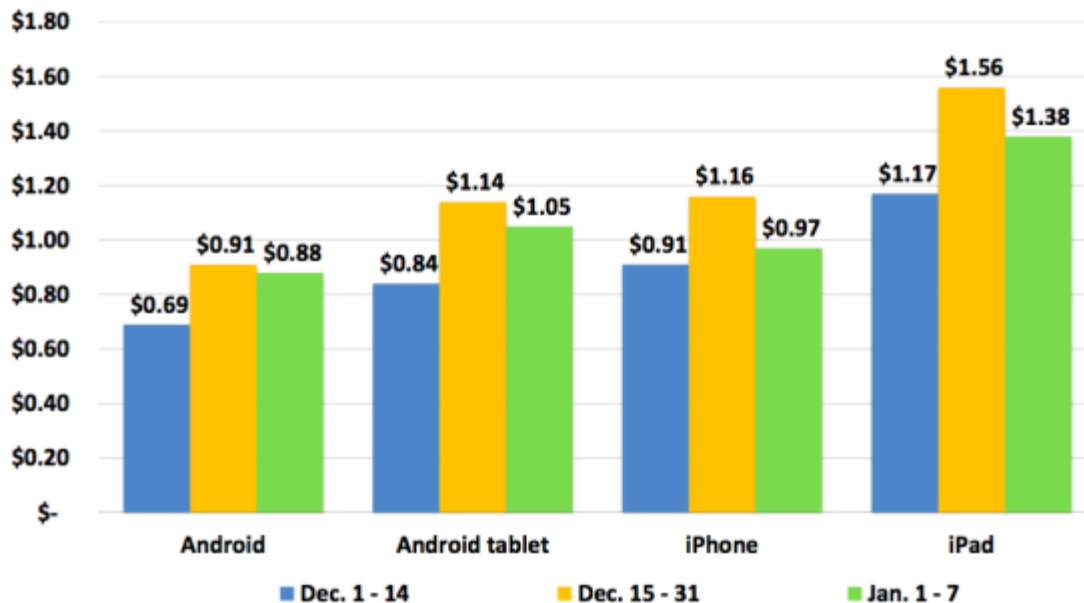
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Triton Digital has introduced a product called "[a2x](#)," an advertising exchange that allows advertisers to programmatically buy targeted online and mobile audio inventory in real time. The platform provides a system for managing, buying, and selling third-party advertising campaigns. Triton will use consumer data from [eXelate](#) to help deliver highly targeted ads.

Triton Digital Chief Operating Officer Mike Agovino said, “Marketers are increasingly relying on ad exchanges and real-time bidding to reach their target audiences in an effective manner. Streaming audio’s exponential growth has created an exciting new digital advertising channel, and a2x is exactly what the market needs to streamline the buying process, making the ads more accessible, and enabling publishers to better monetize their content.”

according to data released today by [MoPub](#), one of the largest mobile ad exchanges.

Overall, mobile ad prices rose over 50 percent in the fourth quarter of 2012, but advertisers paid most for ads on iPads: \$1.12 per thousand impressions. iOS ad prices in general rose 66 percent, while ads on Android devices became 54 percent more expensive.



Part of the reason is higher click-through rates. While Android devices see click-through rates of about one percent, owners of iOS devices tapped on ads 1.3 percent of the time early December, and an even higher 1.7 percent in early January.

One interesting question for mobile advertisers: are rich media ads more effective than static ad images?

According to Mopub’s data, gathered from over 30 billion ad impressions in October, November, and December last year, the answer is: not really. While rich media ads are clicked on more frequently, with about 20 to 37 percent higher click-through rates, they also cost more. In fact, rich media ads cost between 27

and 40 percent more than traditional ads, making for a fairly difficult cost-benefit analysis with your CFO.

Twitter Ads: Are You Wasting Money on Mobile?

by [Jennifer Wong](#), January 24, 2013 23 Comments

Advertising on Twitter can be a great opportunity to drive online sales. But to reap the benefits you must understand how to test and optimize the channel.

One of the targeting options for Twitter advertising campaigns is **device targeting**. Most direct marketing campaigns include a call to action with the goal of a form completion on the landing page.

A recent desktop vs. mobile device experiment revealed that targeting mobile devices results in a 60 percent lower conversion rate and a 160 percent increase in cost per acquisition.

Additional key findings from the experiment include:

- Targeting desktop devices doubles the cost per engagement but only results in half the engagement rate.
- Users on desktop devices have a higher click-to-visit ratio than mobile device users. If a user on a desktop device clicks on the tweet, they are more likely to visit the landing page than a user on a mobile device.
- Users on a desktop device has more than double the conversion rate of a visit to a lead than mobile device users.

Targeting desktop devices is more efficient than targeting mobile devices when striving for the lowest cost per acquisition.

Users on a mobile device are less likely to fill out a form because it's more of a hassle using the small keyboard and a bigger disruption in their browsing.

The industry currently has somewhat of a monetization problem: [The mobile ad industry does face important challenges as it works to close the gap with "eyeball time."](#) eCPMs are sometimes as low as 20% of their desktop counterparts. 40% of clicks are either fraudulent or accidental, and targeting has proven difficult due to developer attitudes and fragmented standards and protocols that enable relatively seamless ad delivery and measurement on PCs. And those are only a few of the reasons why

Is Mobile Advertising Misunderstood?

by [Joe Salesky](#), 6 hours ago

What we do know: mobile devices offer unique challenges and opportunities for advertising and promotion. What we don't know: the best way to approach and measure mobile advertising. **Mary Meeker recently noted that while mobile now represents 23 percent of consumer media time, it has garnered less than 1 percent of consumer-focused ad spending.** Is this because mobile is an ineffective marketing platform, or because we have yet to properly define what mobile advertising is and how to create a breakthrough

mobile-centric ad unit? It seems clear that mobile needs a different and transformative approach to deliver impact and allow it to capture its rightful share of ad spend.

While the small screen and modal nature of the device pose challenges to deliver the advertiser message and consumer engagement, approaches to mobile advertising may be headed in the wrong direction, chasing a misconception of the mobile device use case.

Mobile is misunderstood. Location-location-location is the adage in real estate and in mobile, yet the importance of location outside of navigation and discovery may be leading to crippling mistakes for advertising in the mobile channel.

Remember the movie *Minority Report*, with Tom Cruise experiencing location-based ads trying to turn his walking excursion into a shopping excursion? As he passed by, advertisers tried to lure him into their stores just because he was close. These merchants wanted “Tom,” but none were really aware of what he wanted, and what it would take to get him to stop and shop.

Does Home Depot want to wait until you are nearby to engage you and get you to stop by? Is this the best use-case to define the mobile device as a medium and a channel? The most important item for an advertiser is to know you, your incremental sales potential, and what it will take from them to get you to make an unplanned visit.

I would argue that proximity and relevance should not be confused. Just because I am close to a merchant does not mean I have interest in making an impulse purchase, even if I receive a discount or incentive trying to convince me to “buy now.”

The mobile phone has become a constant sidekick -- you have it when you are watching TV, in the office, seeing a billboard, or reading the news. You will consume many different types of content on the device, and likely it is the go-to device at hand when other content engages you and starts you on the inquiry or interaction that leads to purchase intent.

In mobile, the transformative new ad unit must be *concise and compelling* and uniquely data driven with a new type of content -- one that overcomes display and context limitations and aligns with the intimacy of the mobile device.

Mobile ads need to overcome the modal nature of the device. People don’t “window” well on mobile and tend to be task-oriented with messages or posts, consuming content, or searching. Advertising directly competes against the limited space available, so mobile ad units must be concise.

Being in a purchasing mindset is not always location-based. The most effective mobile ads cause the consumer to start an unplanned shopping excursion, or can be triggered to release based on other transaction activity regarding the consumer location and purchasing mindset (i.e., if you just bought coffee at the Starbucks in the mall, it suggests you might be in the mindset to shop).

Knowing where and when you shop -- and what incentive it will take to get you to make an incremental unplanned stop at a merchant -- requires a new type of science that learns from both consumer behavior and response to incentives. Transaction intimacy and mobile intimacy are uniquely aligned, and can work together effectively to capture the potential of mobile advertising and create a compelling ad unit. The mobile ad unit must be intimate, location-aware and capable of doing more with less to catalyze purchase action.

Mobile represents the largest medium ever created, both in terms of devices and time with the consumer. It is clear that the transformative ad units can help capture the potential of mobile. However, the consumer intimacy of mobile needs an ad unit that is held to a level of personalization not possible without a closed-loop system. This closed-loop system has other data to inform consumer purchase insights and learns from their response to incentives so that they are concise and compelling messages that are welcomed.

What Are the Options for Mobile Ads?

Options for mobile ads include mobile video, media galleries, interstitial, cube images, 360° viewing imagery, banners, expandable banners, landing pages, and rich media tablet ads.

You would think that users are watching videos on their [mobile phones](#) while on the go, but you would be wrong. According to IAB's research (where IAB stands for the Interactive Advertising Bureau), 63% of digital video screening on [mobile](#) phones happens at home, with 36% of these home-based digital video activities taking place in a room where a second screen — a TV, desktop computer or tablet — is also available. This in turn opens significant cross-media [opportunities](#) for brand marketers when tying mobile digital video to live TV programming or linking magazine ads to relevant mobile clips.

The research also unveiled that an overwhelming majority (92%) of viewers share mobile video they have watched on their phone with others. And with mobile videos being ranked third on the list of high-time-spent (one hour or more per week) activities conducted on mobile phones, behind playing games and social media, the propensity for sharing video provides a strong vehicle [for taking video ads along for the viral ride.](#)

In addition, IAB has also found [the mobile](#) video usage grows steadily throughout the day, peaking in evening “prime time TV” hours. What's more, 22% of video interactions were to access content viewers planned to watch, 18% were out of boredom, and only 3% because no other screen was available.

The study goes on suggesting that the most frequently viewed genres in mobile video are music videos (45%), followed by movie trailers (42%), tutorials/how-to's (41%), and funny short video clips (37%). From this bunch, humorous short clips and music videos are the most likely to be shared at 66 and 52 percent, respectively.

Finally, when asked about their feelings towards mobile video ads, 53% said that they are positive or neutrally receptive towards mobile video advertising, 48% said they would prefer seeing video ads that are related to the content of the video clips being watched, while 44% recalled seeing an ad while watching mobile video, with short 10-15 second spots being the most recalled format...

The entire study along with excerpts from real world mobile phone digital video diaries is available from [here](#).

Cookies (Sort of) on Mobile Devices? Boon to Google, Facebook, Pandora et. al.

Tracking the click-through movements of Internet surfers on iPhones and iPads became a lot more copacetic in September, when Apple's ([AAPL](#)) new operating system included features that allowed advertisers to collect data both anonymously and with implied user permission. Privacy advocates continue to rail against the invasion. But investors might want to wonder if the market has underestimated what a boon this development might be to certain ad-dependent companies, like Google ([GOOG](#)), Facebook ([FB](#)) and Pandora Media ([P](#)). Yet we don't see much excitement in a [stock chart](#).

[GOOG](#) data by [YCharts](#)

Apple's iOS6 included a new "identifier for advertisers" (IDA, or IDFA) that acts like cookies do on desktop computers. The data collected through it cannot be traced to a specific user, and like a cookie, it can be physically blocked. Advertisers can use it to watch click activity that lets them know when you're, say, in the market for a wedding dress or a trip to Paris.

Not Just Location: General Search Going Mobile

by [Steve Smith](#), Yesterday, 8:24 AM

It turns out that just about everyone's search budgets will be affected by mobile -- not just restaurants, towing services and other likely suspects. In YP's year-end report on local

search behaviors, the most striking metric was not about the velocity of mobile search growth. That is to be expected. Across its apps, sites and publishing partners YP saw a 25% growth in the number of mobile-originated searches, now up to 30% of all search activity.

The obvious upshot of these metrics is that mobile search increasingly is disconnected from immediate proximity, or perhaps moments of critical need. Instead we are seeing more general search behaviors also migrate to mobile.

Another expansion of the mobile search equation reflects the growing comfort we have with mobile media as well as older groups becoming more mobile-savvy. While the 61% rise in Medical and Health Care searches was driven by a 144% increase in pharmacy searches, it also included Medical Services (up 83%) and Physicians and Surgeons (up 70%).

This is not to say that proximity does not matter in mobile search, but it matters most when it comes to taking action on an ad. The closer the user is to the business, the more likely they will be to click on the ad. At one mile or less from the business, the user is 1.4x more likely to click the ad, and that responsiveness actually spikes at 1-2 miles out (1.48x) before descending steadily to 1.05x at 5-10 miles out from the advertised business.

And make no mistake about categories of local searching, which still are led by restaurants (17% share of all mobile searches), although this category grew 13% in the year. The top five search categories for 2012 were Restaurants, Financial Services, Auto Repair & Service, Beauty Services and Physicians and Surgeons.

IAB: Mobile Video Usage Peaks During TV Prime Time

12/18/12 at 11:18 AM by [Andrew Burger](#)

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New research from the Interactive Advertising Bureau (IAB) conducted by On Device Research refutes a common myth about mobile video. As a press release from IAB notes, some people assume that mobile video is something consumers use "haphazardly" when they have "nothing else going on and no other screen available." But IAB's research, based on surveys and diaries kept by mobile phone users, suggests otherwise.

Close to two-thirds (63%) of digital video viewing on mobile phones actually takes place in homes, IAB researchers found — and more than a third (36%) occurs in a room with another, second screen, in the room — be it a TV, desktop computer or tablet. Researchers also noted that 22% of video interactions were to access content viewers planned to watch, while 18 percent were out of boredom, and only 3 percent because no other screen was available.

Mobile videos are ranked third on IAB's "list of high-time spent (one hour or more weekly) activities conducted on mobile phones," behind playing games and social media. Mobile video interactions increase steadily throughout the day, peaking in evening prime time TV hours, according to "The IAB Mobile Phone Video Diaries" report.

Music videos, cited by 45% of respondents, were the most frequently viewed mobile video genres, followed by:

- Movie trailers (42%)
- Tutorials/How-To's (41%)
- Funny short video clips (37%)

An overwhelming majority—92%— of viewers share video they've watched on their smartphones, IAB also found. The video genres most likely to be shared were humorous short clips (66%) and music videos (52%).

IAB commissioned the research as a means of identifying new advertising opportunities such as tying mobile digital video to live television programming or linking magazine ads to relevant mobile clips.

"Digital video marketing has skyrocketed over the past year, and is primed to deliver even greater returns on a variety of screens — particularly on mobile phones," commented VP and GM of IAB's Mobile Marketing Center of Excellence Anna Bager in the IAB press release. "This study points to a unique proposition for connecting with consumers who are watching . . . video content on mobile."

Asked about their feelings towards mobile video advertising, responses from the IAB research were as follows:

- 53 percent said that they are positive or neutrally receptive towards mobile video advertising
- Nearly half (48%) said that they would prefer seeing video ads that are related to the content of the video clips being watched
- A significant number (44%) recalled seeing an ad while watching mobile video, with short 10-15 second spots being the most recalled format
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Are brands delivering on promise of contextually relevant mobile experiences?

By [Chantal Tode](#)

December 18, 2012

The goHow app delivers contextually relevant content

The ability to deliver contextually relevant experiences is one of mobile's big promises for marketers. While many experiences have not lived up to these promises, there are signs that 2013 could see a significant jump forward.

The ability to leverage not only the time of day and a user's location — which marketers are getting better at all the time — but also a user's behavior and preferences is key to strong contextual relevancy. However, marketers face internal as well external challenges to making this a reality.

"I think most marketers are still failing to deliver strong contextual experiences on mobile devices," said Thomas Husson, Paris-based analyst at Forrester Research.

"I am not referring here to the advanced use of geo-fencing capabilities — there obviously have been great location-based campaigns," he said. "By context, I also mean making the most of preferences stated by consumers and their past behaviors."

“It implies that marketers need to better segment their customer base looking at mobile behaviors and make their apps smart by connecting them to their back-end CRM systems. I believe mobile-CRM will be a key topic for many marketers in 2013, coupled with advanced analytics.”

Context drives results

There are recent examples of marketers doing a good job delivering strong contextually relevant experiences via mobile.

For example, news aggregator app wityou from Blogwatcher is trialing an SDK from Qualcomm Labs Inc. in Japan that levers all the sensors in a mobile handset to enable marketers to deliver contextually relevant experiences.

The Gimbal technology from Qualcomm Labs promises to solve a problem typically associated with such services — being able to have geofencing always on in the background without quickly using up a phone’s battery power. As a result, end-users are able to receive relevant content, including offers, based on location, activities and interests.

In the trials in Japan, Blogwatcher found that end-users were three times more likely to click-through and respond to wityou notifications and offers as compared with non-contextualized and non-personalized offers.

“By giving the phone the ability to have an understanding of a place that a person is at, independent of the person doing anything, and to have an understanding of the interests that someone has based on behavior on the phone, this can evaluate how a person can use the phone,” said Ian Heidt, director of product management for [Qualcomm Labs](#). “In the moment, the phone can know where you are and combine that with knowledge about the things that are more likely to entice you to match an offer to that user.”

Japanese agency Dentsu is also slated to leverage the Gimbal solution for its clients and The Recruit Group will offer Gimbal to its app developer client base.

An evolving area

The goHow app is another example, per Lou Casal, senior director of product marketing at [SDL](#), New York.

The goHow app drives the right content to travelers at the Denver airport within the context of time and location. As a result, travelers who land in Denver could easily get timely updates on their connecting flight, gates, local info as well as offers from nearby retailers and restaurants residing throughout the airport.

Moving forward, this same app will be available at sporting venues, enabling marketers to create multiple interactive events within the larger sporting event that can range from shopping to sponsor brand experiences.

“I think progress is being made — it is more of an evolution than revolution, but definitely picking up momentum,” Mr. Casal said.

“Currently a great deal of focus is on the contextual advertising side of the equation,” he said. “But what happens after the click?”

“While a specific landing page or app can keep the level of relevance high, thereby holding on to the attention of the mobile user, **customer journeys are no longer clean well defined funnels**. So the context of the dialog established with the initial advertising needs a way to continue and this is where we will continue to see more progress in 2013.”

Mobile-centric approach

Marketers face several challenges when it comes to delivering contextually-relevant experiences via mobile, including that information is siloed and coordinating all the different data points needed to bring together a relevant, contextual experience can be a challenge.

Additionally, marketers need to focus more on mobile experiences.

“Often there is a lot of focus on the delivery aspect or some cool new widget that influences a mobile project — as a result the content sometimes becomes a second thought,” Mr. Casal said. “Marketers need to ask themselves what experience are they trying to create for their audience? What are the tasks or information does the mobile user need? What are the contextual factors?”

As we head into 2013, mobile contextual experiences are likely to continue to improve.

“In 2013 we will continue to see more consideration for contextual factors as planning gradually moves towards a more mobile centric approach,” Mr. Casal said.

“What will change is the level of pressure marketers will continue to bring to IT as context and relevance increasing become a must have,” he said. “The bottom-line is context, especially critical to mobile efforts, helps drive engagement which drives business.”

US Mobile Ad Spending Jumps to \$4 Billion

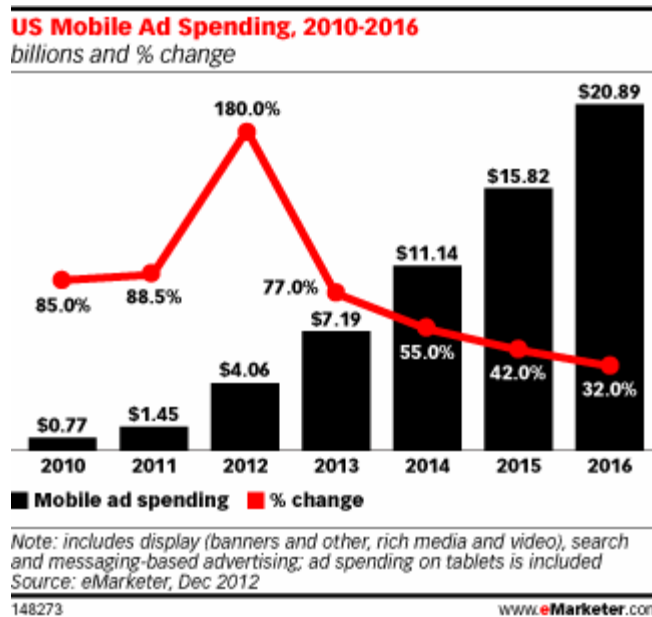
DEC 18, 2012

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Google keeps more than half of US mobile market

US mobile ad spending is growing faster than previously expected, due in large part to the success of so-called “native” ad formats like Facebook’s mobile newsfeed ads and Twitter’s Promoted Products. These products represent a seamless experience across platforms for consumers—which means platform owners are able to successfully earn (or, in some cases, not lose) revenue as consumers continue to increase time spent on mobile devices with smaller screens unsuited to the bulk of desktop display advertising inventory.

eMarketer expects overall spending on mobile advertising in the US, including display, search and messaging-based ads served to mobile phones and tablets, to rise 180% this year to top \$4 billion. eMarketer’s previous forecast, made in September 2012, was for substantially slower growth of 80%, to just \$2.61 billion. Now eMarketer expects US mobile ad spending to reach \$7.19 billion next year and nearly \$21 billion by 2016, a significant upward revision.



Facebook’s Q3 mobile performance is one major reason for the change. The social networking giant offered no mobile ad opportunities at the beginning of 2012 but grew its mobile business at an astonishing—and unexpected—rate. Before Facebook’s Q3 earnings call, most researchers and analysts expected US mobile ad revenues of roughly \$45 to \$100 million, according to figures examined by eMarketer. While the company’s total ad revenues were, for the most part, unsurprising, the share of revenues attributed to mobile advertising was far from it.

eMarketer, which bases its figures on a meta-analysis of data from research firms, investment banks and other sources on ad revenues, ad impressions, ad pricing and other factors, now estimates Facebook’s US mobile ad revenues will hit \$339 million in 2012.

US Net Mobile Ad Revenues, by Company, 2011-2014

millions

| | 2011 | 2012 | 2013 | 2014 |
|------------------|------------------|------------------|------------------|-------------------|
| Google | \$750.0 | \$2,171.4 | \$3,984.4 | \$6,327.5 |
| Facebook | - | \$339.3 | \$851.4 | \$1,216.9 |
| Pandora | \$120.0 | \$224.8 | \$347.0 | \$495.6 |
| Twitter | - | \$134.9 | \$248.9 | \$382.8 |
| Apple (iAd) | \$38.3 | \$123.8 | \$212.9 | \$376.0 |
| Millennial Media | \$36.1 | \$93.7 | \$138.4 | \$199.2 |
| Other | \$255.4 | \$750.7 | \$1,191.0 | \$1,945.5 |
| Total | \$1,199.7 | \$3,838.5 | \$6,974.0 | \$10,943.4 |

Note: includes display (banners and other, rich media and video) and search; net revenues excluding traffic acquisition cost (TAC); numbers may not add up to total due to rounding; ad spending on tablets is included
Source: eMarketer, Dec 2012

148300

www.eMarketer.com

Google also posted better-than-expected mobile ad growth in Q3. Fueled primarily by direct-response advertisers, Google is set to control a 56.6% share of the US mobile advertising market by year's end, eMarketer estimates.

Buyers Get Down to Brass Tacks on Mobile

DEC 6, 2012

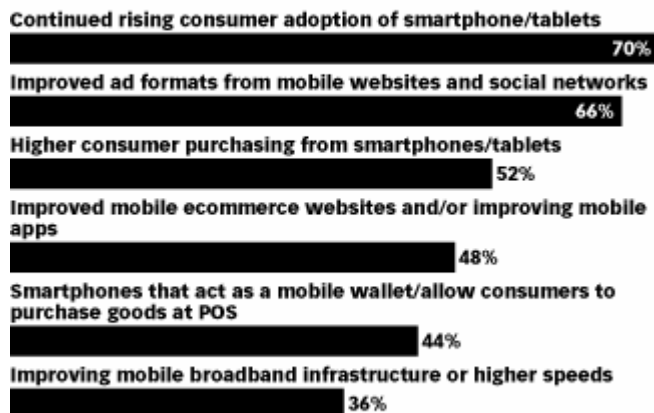
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Factors Leading to the Increase in Mobile Ad Pricing According to US Ad Buyers, Sep 2012

% of respondents



Source: Cowen and Company, "Internet and New Media," Nov 27, 2012

148127

www.eMarketer.com

Mobile pricing was still believed to be cheaper than desktop pricing by a majority of respondents. Asked when mobile and desktop pricing would be similar, the greatest percentage of respondents, 36%, believed that the two channels would be comparably priced within the next two years.

The survey broke social and video mobile advertising out from display, leaving display as primarily consisting of banner ads. Given this more restricted definition, display was found by the highest percentage of respondents to be cheaper on mobile vs. desktop, which is understandable given that smaller screens limit the banner experience.

The increasingly limited potential of display on mobile—excluding social and video ads—was further demonstrated when respondents were asked about current vs. future mobile budget allocation. Display's share of ad buyers' budgets was set to decrease by 5 percentage points, swapping its position as the No. 1 mobile channel with search. Given mobile's now [well-documented role as a key player in gathering real-time information](#), it makes sense that buyers would be putting more money toward search.

Allocation of Mobile Ad Spending According to US Ad Buyers, Current vs. Next 12-18 Months, by Channel, Sep 2012
% of respondents

| | Current | Next 12-18 months |
|---------------------|---------|-------------------|
| Mobile display | 38.3% | 32.9% |
| Mobile search | 34.7% | 37.0% |
| Mobile websites | 7.9% | 6.1% |
| Mobile video | 6.6% | 9.8% |
| Social | 4.8% | 6.8% |
| Messaging (SMS/MMS) | 3.4% | 2.1% |
| QR codes | 2.8% | 3.4% |
| Other | 1.6% | 2.1% |

Note: numbers may not add up to 100% due to rounding.

Source: Cowen and Company, "Internet and New Media," Nov 27, 2012

148125

www.eMarketer.com

Video will also see a bump in spend as mobile video viewing becomes more common, with buyers expecting to put nearly 10% of mobile spend toward video in the next year and a half

Mobile will take 50% of budget in 2017, but held back by skills gap: study

Posted on [December 10, 2012](#) by [Marketing](#)

Marketers will spend 50% of their budgets on mobile by 2017, but for the moment are hampered by their lack of understanding of the medium and difficulties in quantifying return on investment, according to Experian Marketing Services.

Only 4% of the 320 marketers involved in Experian's mobile marketing study are regularly implementing mobile marketing activities, despite a widespread belief it will be one of the most important ways to communicate with customers in the future.

Head of research and consulting at Experian, Dave Audley, puts the slow uptake of mobile down to three key reasons: a skills gap in the industry, difficulty in demonstrating ROI and the tug of war for budgets between traditional and new channels.

"There's some confusion and difficulty when it comes to budget allocation," Audley says. "Marketers are finding it quite difficult to quantify return on investment by channel. Organisations are reluctant or not committing to investing in the [mobile] channel just yet until they feel confident that they can measure the return that they get."

Mobile has also added another layer of the complexity to the tug of war for budget between traditional channels and new, Audley adds. "Rather than out with the old in and with the new, organisations are looking at retaining old channels; traditional offline channels are also becoming increasingly important."

"Finding the priority to put the focus that's needed into making a successful mobile strategy come to life is quite a challenge."

As a result, almost six in 10 are yet to test the waters with mobile, while 41% have created a strategy but haven't started implementing it.

When asked to rate the importance of marketing channels, 53% of marketers said face-to-face communication was one of the top three most important channels. Email was rated by 50% of marketers as a top-three channel, and social media mentioned by 42% of marketers as a top three channel.

Early adopters of mobile report good results, the study found. The vast majority of respondents believed the various mobile techniques asked in the study to be effective, with mobile-optimised websites, m-commerce and MMS emerging as the most likely to be perceived as 'highly effective'.

Email ranked down the list slightly, while custom apps were the most likely to be perceived as ineffective.

Search, display and video pre-roll were not asked as part of the study.

Perceived effectiveness of mobile techniques among marketers

| Tactic | Very effective | Effective | Not effective |
|--------------------------------------|----------------|-----------|---------------|
| Mobile-optimised website | 51% | 47% | 2% |
| M-commerce | 37% | 63% | 0% |
| MMS campaigns | 33% | 52% | 15% |
| In-app ads | 32% | 52% | 16% |
| QR codes | 29% | 66% | 6% |
| SMS campaigns | 29% | 59% | 12% |
| Email marketing optimised for mobile | 28% | 65% | 7% |
| Custom apps | 26% | 51% | 23% |
| Mobile tickets or barcodes | 25% | 63% | 13% |
| Location-based mobile services | 24% | 72% | 4% |

"In the next five years Experian predicts more than 50% of marketing budgets will be associated with mobile, particularly as traditional, above the line channels, such as TV and billboards become more interactive and entwined with mobile," Audley predicts.

"Clever companies will integrate mobile with existing channels, without compromising other activity. Because mobile is cost effective, easy to implement and is nimble, it creates a dynamic platform where brands can create a two-way dialogue."

Don't Let Growth Fool You: Mobile Advertising Is Still Failing

Interruption-Based Banners In Mobile Won't Scale

By: [Adam Kleinberg](#) Published: [December 19, 2012](#)

A couple years back I had a conversation with my accountant. He told me "money is dangerous because success can hide failure."

This is a good way to describe the conundrum now facing the mobile ad industry. While declarations of growth are abundant, the reality is that most mobile advertising is failing.

[Large percentage rates of growth](#) look great, but that's coming off a tiny base. The truth is ad dollars are dripping—not flooding—into the mobile, even though nearly 60% of [U.S. mobile subscribers now carry a smartphone](#). This reason for this is not overly cautious marketers, however. It's because the mobile platform simply isn't all it's cracked up to be.

Yes, a handful of mobile vendors are beginning to see a handful of six-figure deals. But in a year when the market cap of a mobile ad network like Millennial Media has [surpassed the entire mobile ad market](#) you know you're looking at an industry built on hype.

Companies are doing amazing things with big data. 4info has collected data on 330 million devices across 97 million households in the United States, knitting together a road map of demography, geography and behavior that equips advertisers with the quick-strike capability of a U.S. drone.

But all this targeting is useless if we can't take advantage of it.

Mobile advertising vendors will roll out jaw-dropping presentations showing amazing "app-like experiences" replete with digital awesomeness. Auto brands, you can take a virtual test-drive to an astonishing new level, they promise.

But it's completely meaningless when the fulcrum point between big data and big experience is a [120x20 pixel banner ad vying to interrupt your game of Paper Toss](#).

Bring that up and those vendors will laud comparatively higher click-through-rates for mobile versus those of the traditional web. [They'll likely forget to mention the recent report by Goldspot Media showing that 38% of all mobile clicks are due to fat, clumsy thumbs](#).

At the end of the day, this kind of interruption-based advertising is never going to be a great success. People simply don't want these ads on their phones.

Of course, there are bright spots.



Facebook.

Stock has climbed from under \$19 to \$27 per share on the news that 14% of advertising revenue now comes from mobile and that they are planning to launch a mobile ad network. A [new eMarketer mobile revenue estimate](#) indicates revenue is growing. The reason they have been successful is that they are creating units that are minimally interruptive. A user scrolling down on their Facebook feed quickly learns that simply tapping down on an ad for a brand page their friend has liked doesn't interrupt the experience.

That optimism should be tempered. 120x20 pixel banner ads will still suck—no matter what data is used to target them. Facebook could deploy the same minimally interruptive ad units that are working in their app across the mobile web, but marketers are becoming wise to the fact that their ability to reach their brand fans is diminishing. Meaning they'll be willing to pay less.

Native Mobile Ads.

Foursquare got some bad press recently when people found out there are only ten million or so active users on the platform, but ask Walgreens social media manager Zach West and he'll tell you customers redeeming coupons delivered through Foursquare at the register "consistently exceeds our expectations."

Look for other native ad units to find their way into your mobile ad strategy. Those that provide value to consumers will be the ones that prevail—even if that value is just a coupon.

Mobile Video.

Adding mobile video to your pre-roll buy is usually as easy as checking a box. And more and more video that is being consumed is being consumed on mobile devices. Play Words With Friends lately? You've probably watched a movie trailer between moves. There's still a lack of quality inventory available, but that should change in the months to come.

Innovation.

It is very easy for marketers to chase direct response. To use cell phones instead of newspaper circulars as a coupon delivery mechanism. That's what's easy to measure. That's what will fit neatly into their ROI spreadsheet. But that's not what's going to make meaningful impact. That's not going to create new revenue streams or increase market share or raise the share price for stockholders.

The real mobile opportunity for brands is to fundamentally enhance the value of their product, differentiate themselves and deepen their relationship with consumers. I haven't bought a pair of [Nike](#)'s in over a decade, but I got on a health kick recently and started jogging. I use the Nike+ app on my iPhone to track my runs and motivate me to run farther. Nike is my companion. And the next time I buy a pair of shoes, I'll probably give Nike a look.

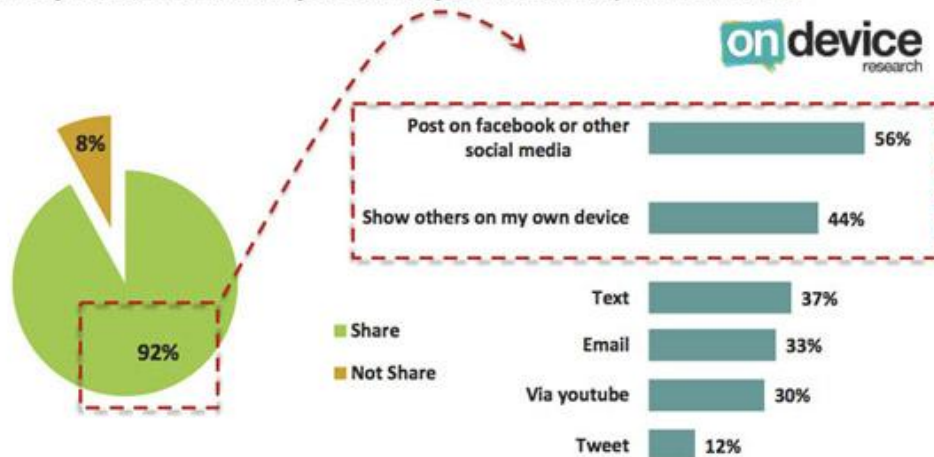
Ideas like this brought to life are what will make huge impact for brands. Understanding where to make these investments should be at the very core of your mobile strategy.

The power of mobile is at our fingertips. That power is not in teeny-weeny banners ads. Until we understand that, mobile advertising will continue to be a failure.

IAB: Almost two-third of mobile video usage happens at home; users love sharing video clips with their friends

92% of mobile phone consumers share mobile video content with others, with social networks and showing others the most preferred methods

Q6 Post : And how do you share video content you watch on your mobile/smartphone with others?



[Google Does the “Right Thing” for Mobile Ads – Do Others Have the Guts to Follow?](#)

Posted on Fri, Dec 14th, 2012 at 7:58 am

by **Richard Greenfield** — [POSTS](#) | [DISCLAIMER](#)

We have been highly critical of mobile advertising-to-date. Mobile ads are far more obtrusive than on the desktop, simply due to the size of the screen – meaning the ad represents a far greater percentage of the screen and is harder for consumers to avoid. To make matters worse, we have noticed an increasing array of companies realizing that mobile ads are far more likely to be clicked, even if by accident. In turn, these companies have increased the size of the ads notably (far bigger than what Google runs as a strip along the bottom of the screen).

- Facebook’s Bigger is Better, with sponsored stories and posts that take up more than the entire mobile device screen: [click here](#) (easy to accidentally click as you are gliding thru your news feed)
- Pandora: big ads with tiny x marks to dismiss them: [click here](#)
- Zynga: full screen ads with a tiny x in upper left hand corner: [click here](#)

Fat Fingers is a huge problem that nobody has wanted to take a stand against. In fact, a Forbes article yesterday ([click here](#)), highlights an eMarketer chart, which indicates that upwards of 38% of mobile ad clicks are accidental or fraudulent.

Enter Google with its Don't Be Evil Focus

Google has begun to roll out ad-serving technology on its Android platform that is designed to significantly reduce accidentally clicks, a.k.a “fat fingers.” While this may hurt revenues in the near-term, it will increase the value of the ads and improve the user experience.



As shown in the screenshot embedded to the right, if you click on the edges of the ad, a window illuminates to ask if you want to click on the ad, rather than instantly take you to the site behind the ad. Essentially Google is asking you to confirm your ad-click, unless you click dead center on the ad, which it then assumes you meant to do.

Google is making a very important move to improve the user experience of mobile advertising; building trust among advertisers that consumers actually want to view their ads.

Will Others Follow? We hope that Google’s move increases advertiser awareness of how rampant fat fingering is and how mobile apps are hurting the mobile ad industry by not employing solutions such as Google’s Click to Confirm. We wonder how many companies can stomach the near-term pain of doing what is in consumers best interest, even if it means generating less revenue in 2013

Mobile Marketing Analytics Are Different

2012/12/12 · [Jason Wells](#) · [Responses \(9\)](#)

Nearly every marketer today understands the importance of mobile and the importance of data. But do they understand the peculiarities of mobile analytics? ContactPoint CEO Jason Wells explains.

Image via Mad Men Facebook Page.

Only 15 years ago, if you told a friend you were in marketing, they would probably conjure up images of creative types drawing pictures, writing copy, or cobbling together stories for brands. Or perhaps they would envision the *Mad Men*-esque wood-paneled boardrooms of Madison Avenue agencies.

Today's typical marketer is neither a creative ninja nor an ad agency exec. Certainly there are still wood-paneled boardrooms, and there are, of course, still creative types that make things look pretty. These positions and the stereotypes associated with them will never disappear. They are critical to the machinery of marketing.

But today the most common type of marketer is one who is obsessed with numbers, analytics, data and results. This marketer may be an executive at a big media firm, an enterprise-level company, or the owner of a small business. Every marketer at every level is in desperate need of analytics.

Analytics and Big Data

Marketing has, as many have noted, moved “from art to big data.” This is a massive shift.

Analytics hold marketers accountable and shape campaigns. Budgets are allocated, employees are hired and corporate strategies are established by analytics.

Online marketers are just now getting comfortable with the deluge of big data that comes from being able to track everything from open rates to time on site, page visits and even how many times articles are read. They're still figuring out how to correctly [use and apply the data](#).

And now, just when they're getting comfortable, here comes mobile.

1) Online analytics aren't enough

Every online marketer has his or her list of five or six metrics they look at to determine effectiveness. Maybe they look at bounce rate, unique visitors and abandon rates. Perhaps they look at visit duration or total pages visited. They are, no doubt, tracking conversion rates and page views.

Far too many mobile marketers are trying to use the same metrics to track their mobile campaigns. They're trying to hammer a square peg into a round hole.

Traditional online metrics are secondary in a mobile environment. **Tracking calls and social media engagement is paramount.** Tracking the time someone spent on a mobile site and bounce rate is peripheral at best.

2) The phone is a big deal

Online marketing took the wind out of the phone's proverbial sails. The phone had lost its swagger as a conversion rate machine in the 2000s. Well, guess what? **The phone is back.**

BIA/Kelsey says that mobile will spark a deluge of calls to businesses that will more than double call volume by 2014. They are literally saying that businesses receiving 20 calls a day now will be receiving 40 calls each day in just over a year.

Mobile produces calls. Nielsen recently said that 73 percent of mobile searchers call a business as a result of their search. Wow.

And getting all of these calls is a good thing. **Phone calls are the highest value leads most businesses receive.** [Our own data](#) shows that inbound phone calls are 15 times more likely to convert to customers than an inbound web lead that downloaded a White Paper or e-book.

Calls are awesome and with mobile you'll be getting a lot of them.

Calls are awesome. Image via Mad Men Facebook Page.

3) Mobile analytics tools are available

In 2010, 30 percent of mobile marketers told R2integrated they didn't have enough analytics to measure ROI effectively. That was a problem then. It isn't a problem now.

There are dozens of tools that track mobile engagement. There are entire suites of products that measure social media engagement via mobile devices. Even Google Analytics' new mobile features will help.

The bottom line is this: You no longer have a mobile metrics blind spot.

Gold in them calls

Marketing is changing. It is now a numbers game – a game of big and useful data. Marketers need to adapt to gather these changing analytics.

There is gold waiting in every mobile click, every call and every engagement. The trick is getting the gold out and then using it to further your marketing efforts

The Web people are accessing on their mobile and tablet devices is not the same one they use on their laptops and PCs, and marketers shouldn't treat it as such.

According to a new study published by advertising and publishing platform Tapjoy (and conducted on the company's behalf by Forrester Consulting), about half of consumers are ignoring automatically crated in-app advertisements, and even more (70%) find them distracting and interruptive.

"Mobile is an incredibly personalized experience, much more so than TV or the desktop-based Web," Patrick Seybold, Tapjoy's vice president of global communications, tells *Marketing Daily*. "We all customize our mobile experience, and it's incredibly jarring to be pulled out of that and served an unexpected advertisement."

Of those that are being noticed, very few are making a good impression. According to the study, only 17% of consumers found current in-app adds interesting, while only 14% found them relevant and 12% found them engaging.

If marketers want to engage consumers through in-app advertising, there are several points they need to remember, including the fact that different mobile channels (from QR codes to apps) are used differently, that mobile can be very effective at reaching niche groups, and that quick engagements are more effective than long-term interruptive approaches.

"Instead of just moving a TV spot over to mobile and asking users to watch a long-form commercial in the middle of using their app, which they might find disruptive to their mobile experience, try getting them to take a quick and easy action, like subscribing to an email or like a Facebook page, in exchange for a reward," he says.

At the same time, more than one-third of adult smartphone users said they'd prefer an ad-driven avenue for downloading apps, indicating they understand that to make the apps free, they have to have some sort of advertising. Two-fifths (40%) said the model could be better if they were able to pick an ad from several options.

When it comes to future in-app advertising, consumers' top request is that the ads not interrupt their usage of the app (selected by 68% of respondents). Furthermore, 59% said they want to be offered a reward in exchange for interacting with the ad.

"Consumers are telling us that standard banner-based advertising on mobile isn't what they want, but that ad sponsored in-app rewards, or incentivized ads, are a more logical

and effective way to connect with them,” Seybold says. “For example, brands can sponsor the premium content the consumer wants in their apps, whether it's minutes in their texting app, virtual currency in their game or paying for them to watch a movie. Consumers have shown they understand the virtual economy, and are willing to engage with their favorite brands in exchange for the content they want, especially when they choose the brand to interact with.”

Paramount Pictures continues to rely on mobile to drive film awareness

By [Rimma Kats](#)

December 27, 2012

Paramount Pictures is giving mobile the lead role in its marketing efforts to help drive awareness for its latest film, “The Guilt Trip.”

The company is running the campaign within the Fandango iPhone application. Over the past year, studios such as Paramount have made mobile its new star by incorporating the medium into its initiatives, and ultimately drive ticket sales.

"The Guilt Trip mobile ad campaign is solid and doesn't contain much for the agency that designed it to feel guilty about," said Simon Buckingham, CEO of Appitalism, New York.



"The campaign contains the usual movie mobile ad campaign options to buy tickets and view a trailer," he said.

Mr. Buckingham is not affiliated with Paramount. He commented based on his expertise on the subject.

Paramount did not respond to press inquiries.

Mobile ticketing

Paramount is running full page mobile ads that **pop-up when consumers open their Fandango app.**

The ads feature the characters of the film, as well as options to watch the movie trailer, buy tickets or simply skip the ad altogether.

Moreover, consumers can check out showtimes to see when the film is playing at their local theater, get cast information and browse reviews to see what critics, as well as other moviegoers have to say about the film.

Those that have seen the movie also have the option of rating it.

A mobile ad campaign such as this is a great way for Paramount to drive traffic to theaters, as well as get consumers hyped up about its latest movie.

It is important that studios such as Paramount incorporate mobile into their initiatives and have the medium be part of a multichannel campaign.

Over the years

Paramount has been investing heavily into mobile.

In March, Paramount drove sales for its “A Thousand Words” film through an interactive mobile advertising campaign that let moviegoers buy tickets and learn more about the movie ([see story](#)).

In July, Paramount turned to mobile to drive awareness for its “Katy Perry: Part of Me” movie and ultimately drive ticket sales ([see story](#)).

Most recently, Paramount built up hype for its film “The Dictator” and let consumers buy a Blu-ray or DVD copy via their mobile device ([see story](#)).

"For this new campaign, I do think the 'Skip' option is a little unclear- if viewers received a new smartphone this holiday season and saw this option for the first time, they may not know what it means- they may think they can click to skip the line at the movie theater," Mr. Buckingham said.

"Clearer labeling such as 'Close This Ad' or 'Close Ad' would likely be more user friendly," he said.

Smartphone owners more likely to actively seek new products: Forrester

By [Chantal Tode](#)

December 28, 2012

The importance of relevancy

However, not all mobile efforts are successful in driving consumers to move onto the next phases in the customer lifecycle.

The findings reveal that only about one-fifth of U.S. online adults who have seen ads for a new brand, product or service on apps they use on their mobile phones have done further research on what they saw. A perceived lack of value and relevancy are named by the majority of consumers for why they have not taken further action, with only 28 percent of users who have seen mobile ads finding them to be relevant and 42 percent saying the ads disrupted their user experience.

Other key findings include that traditional methods of product discovery still dominate, such as personal conversations. However, consumers are engaging with online discovery methods, too.

Forrester found that 79 percent of consumers conduct Internet searches via search engines to find new products, 32 percent view general online ads, 30 percent look at online consumer review sites, 23 percent read and post messages on Facebook, 23 percent see ads on Facebook, 17 percent use coupon apps and services, 7 percent read and post on Twitter, 7 percent see ads on Twitter, 6 percent read and post messages on Pinterest and 4 percent see ads on Pinterest.

The most popular discovery methods for word-of-mouth channels are online review sites, with 81 percent actively seeking this information doing so in this way while 72 percent speak with people and 69 percent seek out online customer communities.

For marketers, the results point to the need to be relevant and to be in the right place at the right time with the right message with their mobile efforts.

“You see a lot of marketers that try to be everywhere but who are not really having the right message,” Ms. Sverdlov said. “What marketers have to do is use technology in a smart way to make sure the message is relevant.”

Digital Dimes to Mobile Pennies

Now that mobile has worked its way into every facet of our lives, it seems publishers may have fumbled once again. Where they once lamented that offline dollars turned into "digital dimes" as content and audiences moved to the web, [those digital dimes are turning into mobile pennies](#). Effective cost-per-thousand impressions on the desktop web is about \$3.50. On the mobile internet? A whopping 75 cents.

Data Dominates

Not since the phrase "social media" have two words so overtaken our industry. From the Barack Obama re-election campaign to [Unilever](#) to [Sony](#), everyone is panning the data rivers for marketing gold. And unlike other adland trends, the consensus seems that this one is relevant to the bottom line. You can't get by with a guru for big data. [You need an actual scientist](#) -- and those are some of the most sought-after pros in the land.

Hispanics and African Americans are adopting new shopping technologies at a faster rate than Caucasians, with 18 percent of African American shoppers and 16 percent of Hispanic shoppers using their mobile device to make purchases as compared to 10 percent of Caucasians

Thumbs Up for Smartphone Ad Click Space

Dec. 25, 2012

Ameet Sachdev

Ads on smartphones are so small that an irritating problem has emerged: "fat finger" syndrome. The ailment is caused by accidentally clicking on a banner ad as your finger scrolls through a mobile website or app.

Google, a big seller of mobile ads, has come up with a makeshift cure: If your finger merely slides on the outer border of an ad, the search giant will prompt you to verify whether you meant to click on it.

The blip says a lot about the state of mobile advertising. Advertisers are spending more money on mobile marketing, but the tracking and measurement tools are still immature. Smaller screens also are challenging marketers to come up with creative and innovative ways to reach consumers without annoying them with tiny banner ads.

So far, the powerful promise of mobile, offering the opportunity to pop relevant deals onscreen at the moment consumers are in the time and place to spend, has gone largely unrealized. Technology companies like Google Inc., marketers and advertising firms have tested advances such as geolocation, but adoption has been limited.

"Mobile advertising is in a really weird place right now," said Melissa Parrish, a senior analyst at Forrester Research, the technology research firm. "Is it online paid advertising made little? That's the way it's largely been approached. But in 2013, I hope (advertisers) start to move beyond that thinking. Mobile is special."

The highest concentration of smartphone users is the 25 to 34 age group, one of the most coveted demographics for advertisers. Overall, 45 percent of American adults have a smartphone, according to the Pew Research Center.

The rapid penetration of smartphones -- Apple introduced the iPhone just five years ago -- has created a new medium that marketers have scrambled to learn. One research firm estimates that in 2012 mobile ad spending will nearly triple what was spent last year, topping \$4 billion. Despite the explosive growth, businesses are devoting a relatively small piece of their total advertising dollars to mobile ads -- 2.4 percent this year, according to eMarketer, which tracks display, search and messaged-based ads.

But eMarketer predicts mobile will grow 77 percent next year and reach an 11 percent share of total U.S. ad spending by 2016, overtaking radio and newspapers and making up more than one-third of all digital advertising.

"Mobile has seemingly always been in test mode," said Kurt Unkel, president of the VivaKi Nerve Center, a research and development arm within the Publicis Groupe, a French advertising firm. "But there does seem to be momentum based on volume and key companies focused on mobile."

Those companies include the tech giants familiar to everyone: Google and Facebook. A lot of the growth this year in mobile advertising has been fueled by Facebook, which reported \$152 million in mobile ad

revenues in the third quarter after starting from scratch this year. It generated 14 percent of its total advertising revenue from mobile.

Facebook is just beginning to tap the potential in mobile. The social network says 60 percent of its active users log in on phones.

Google, parent of Motorola Mobility, is the largest player in mobile ads because of its dominance in the \$2 billion mobile search market. The company says it's on track to generate \$8 billion a year from mobile ads and apps and media sold through its Google Play store.

A big challenge for publishers and other ad sellers is that advertisers pay less for ads on mobile devices than for online ads on desktops. There are several reasons. There is more supply of mobile ad space than there are buyers. And it is harder to track whether people make a purchase after they see a mobile ad.

But smartphones offer marketers something that desktops don't: the ability to target users on the go. Advertisers are trying to figure out what consumers want when they are on the train, walking down the street or sitting in a coffee shop -- and squeeze it into a small screen.

Deerfield-based Walgreen Co. has used mobile ads to encourage consumers to download its smartphone application for refilling prescriptions and editing and ordering photos. The drugstore chain also is targeting special offers to its mobile customers. **On Black Friday, for example, Walgreen plugged in a digital "scratch off" game into its mobile app that provided discounts for Starbucks coffee products.**

The goals of the app are to increase customer engagement and drive consumers into stores, said Tim McCauley, senior director of mobile commerce at Walgreen.

The app, while it brings a lot of utility to Walgreen customers, also serves as an ad for the retailer, said Unkel of VivaKi.

"Apps are becoming the brand experience for consumers," Unkel said. "To me, that's the most compelling thing in mobile as it relates to advertising."

Also gaining traction in mobile advertising are targeting consumers by location to take advantage of GPS features on mobile devices. Foursquare, a mobile check-in app, has begun selling ads to merchants to provide loyal customers with coupons or updates about new products. The next big thing in location-based ads is matching place with consumer behavior so people receive relevant coupons or

daily deals.

"Mobile is presenting new marketing opportunities that never existed before," said Greg Stuart, chief executive of the Mobile Marketing Association. "Consumers have changed, and marketers have to catch up."



MIND BLOWING FACTS ABOUT MOBILE MARKETING



There are
6.8 BILLION
people on the planet.



4 BILLION
of them use a mobile phone.



Only **3.5 BILLION**
of them use a toothbrush.

Source:

<http://60secondmarketer.com/blog/2011/10/18/more-mobile-phones-than-toothbrushes/>



BRANDS USING TEXT
MESSAGES TO REACH
CUSTOMERS CONNECT
WITH **95%** OF ALL
SMARTPHONE AND NON-
SMARTPHONE USERS.

Source:

<http://www.snapgiant.com/blog/mobile-text-message-marketing-statistics/>



70% OF MOBILE SEARCHES LEAD TO AN ACTION
WITHIN ONE HOUR. (IT TAKES ONE MONTH FOR
THE SAME PERCENTAGE OF DESKTOP USERS TO
TAKE ACTION.)

Source:

<http://www.smsmarketingnw.com/category/mobile-statistics/>

NIELSEN REPORTED AN **89%** INCREASE IN
MOBILE DATA USAGE BETWEEN **2010 AND 2011.**

The “JiWire Mobile Audience Insights Report Q3 2012” also looks into consumer use of mobile devices for research. Asking respondents when they typically research a \$100 product from their device, the study finds that mobile owners most often do so at home (69%). That’s not too surprising a result, given recent data from AOL and BBDO showing that 68% of consumer mobile phone use occurs inside the home

“The gap between mobile’s share of online minutes and ad spend isn’t only down to tracking difficulties, but tracking is definitely a barrier,” said Andrew Shebbeare, founding partner and chief strategist at Essence Digital, New York.

Foursquare Has 10.4 Million Monthly Users

“I’ve lost track of the number of times a client has ditched a mobile effort because of measurement difficulty or ROI skepticism,” he said.

“I think that answering that challenge is key to driving up eCPMs in mobile for publishers. The medium dictates that more ads are not the answer - we need better ads.”

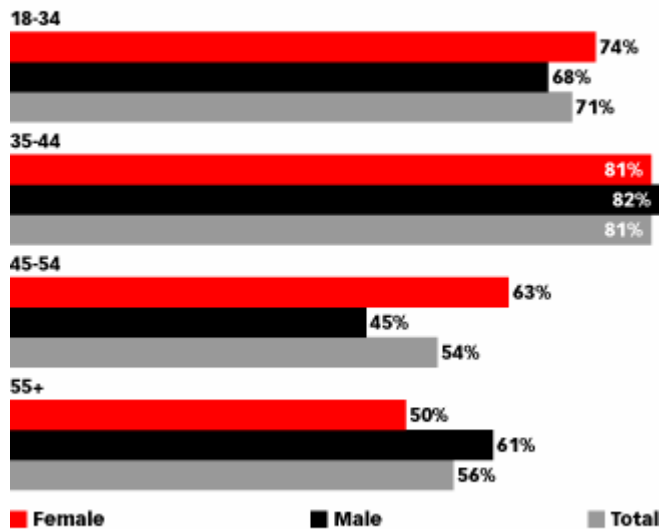
Replacing the UDID

Advertising on mobile is a growing business dependent in part on the ability of marketers to measure the success of their efforts so they can determine ROI and optimize campaigns. However, because of mobile’s relative immaturity compared to desktop advertising and issues related to privacy, tracking users in mobile has been a thorn in many a marketer’s side.

A survey conducted in August by [Harris Interactive](#) for [The Search Agency](#) found that more than seven in 10 US tablet owners ages 18 to 34, and more than eight in 10 tablet owners ages 35 to 44, looked up product information on their devices after seeing something interesting about it on TV. The behavior was significantly less common among older tablet owners (and, in addition, older consumers are already less likely to own tablets), but still, more than half of those 45 and older did the same.

US Tablet Owners Who Use Their Tablet to Get More Info When They See a Product of Interest on TV, by Demographic, Aug 2012

% of respondents in each group



Source: The Search Agency, "2012 Online User Behavior and Engagement Study" conducted by Harris Interactive, Nov 29, 2012

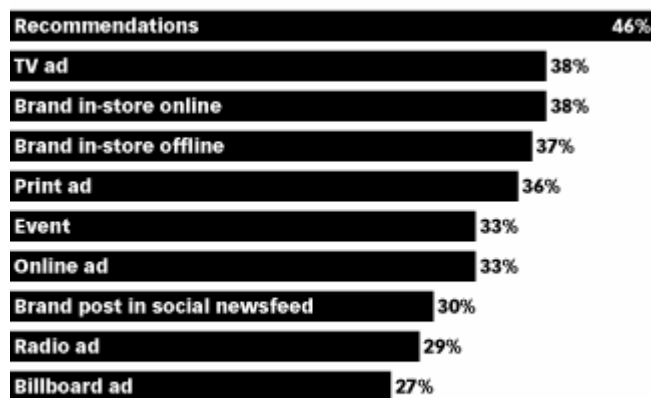
147974

www.eMarketer.com

Other research showed that TV ads were the No. 2 reason smartphone and tablet owners turned to their mobile devices for actions such as brand searches, app downloads or visiting brand websites or social networking pages. Only recommendations came in higher in an October survey from [Millward Brown](#) and [Dynamic Logic](#).

Items that Prompt Action via Mobile Device According to US Smartphone/Tablet Users, Oct 2012

% of respondents



Note: at least one action (brand search, download app, "like"/follow brand or visit website) via mobile device

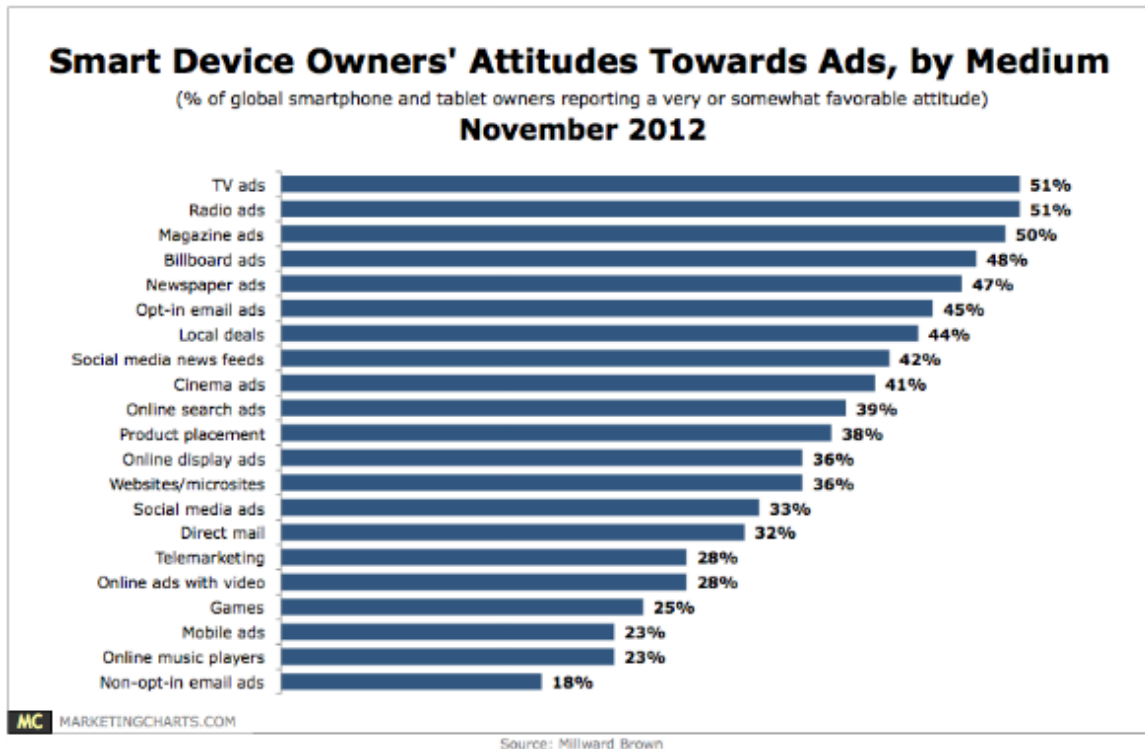
Source: Millward Brown and Dynamic Logic, "AdReaction 2012: Marketing in the Mobile World," Nov 27, 2012

147958

www.eMarketer.com

That made TV commercials more important than ads in any other medium for driving mobile action, and put it just barely above seeing the brand in a physical store—that is, showrooming.

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Digital Experts Tell Us The 7 Biggest Challenges Of Advertising On Tablets

1. Getting the budget:

According to Jonathan Greene, R/GA's managing director of mobile and social practice, "It can be challenging to get clients to invest in mobile advertising, and adding tablets as another potential touchpoint adds complexity in the sell-through."

In fact, even though tablets are rapidly rising in popularity — [Gartner predicted that 655 million units](#) will make it into users' hands by 2016 — experts told BI that both brands and advertisers still think of advertising on the device as an afterthought.

2. It's hard to see an ad's reach:

Furthermore, when ad shops are trying to convince clients to invest in digital advertising, said clients usually want to see statistics for the advertisements' potential reach.

Unfortunately, those numbers are virtually impossible to find.

3. Publishers are charging too much:

Lockhorn continued that monetary challenges aren't just coming from the clients, but "Publishers, too, are still figuring out how to support **from a technology perspective, and how to price it.**"

5. Remember — tablets are different than phones:

Not all second screen experiences are created equal. Sure phones and tablets are both "mobile," but screen size and functionality should lend themselves to different user experiences.

"One challenge is understanding and educating how tablets are different from phones," Greene said. "People typically think about richer ads (like iAD), which comes with a host of caveats."

Vale agreed, stating:

"Both devices should be treated differently when planning for a campaign – the user experiences, audiences and engagement of tablet devices are very different from mobile. Tablet is far more of a laid back, immersive experience, whereas mobile is transactional snippets of information. Tablet devices also tend to be one piece of a multi-screen experience and are predominantly used in the home (while simultaneously using other media). The type of content and activities performed by users on tablets is often long-form such as reading news articles and watching videos. Not understanding, integrating and then tailoring tablet ad campaigns based on these insights is a detriment to brands."

6. The creative needs to get more ... creative:

"The vast majority of ads are simply taken directly from the magazine – static imagery," Lockhorn said. "Beautiful, but not capitalizing on the inherent interactive capabilities of the device."

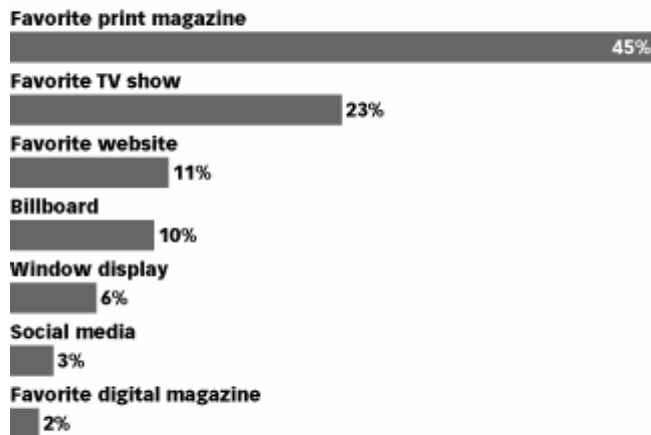
7. The ads need to be more of a streamlined experience:

"Interstitials, forced slideshows and auto-starting videos may drive page views and impressions, but they can create awkward and disruptive user experiences," Greene said. "Recently I saw a takeover ad open within a web window inside of [Twitter](#), which rendered the ad impossible to close. It's unlikely that the ad server was aware of where it was serving the ad, but we need to do better than this."

52% of marketers report that they are [experiencing greater ROI through mobile marketing than through any other medium](#). That's a huge step forward in mobile marketing. We've jumped from the rabbit-in-the-headlights moment to actually making a return on investment. With 48% of mobile owners admitting that mobile marketing influences their purchasing decisions, it's time to act (if you haven't already).

Sources in Which US Internet Users Prefer Seeing Ads, Oct 2012

% of respondents



Note: ages 18+
Source: Adobe, "Click Here: The State of Online Advertising" conducted by Edelman Berland, Oct 24, 2012

147058

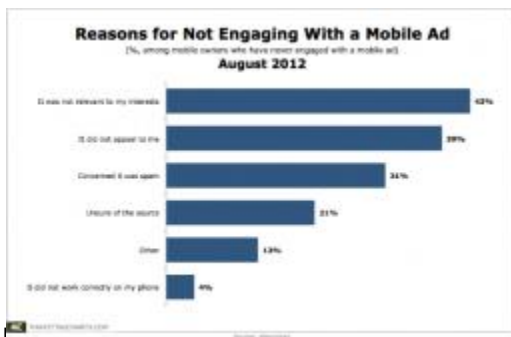
www.eMarketer.com

Google conducted a study which showed that ***traditional media and radio are particularly effective in generating mobile searches.***

The study found that 68% of respondents cite traditional media as a cause for their mobile web searches. More specifically, 40% cite AM/FM radio. 43% mentioned TV. Paul Jacobs of Jacobs Media wrote that the study "reinforces the notion that a timely radio message can drive behavior – especially among consumers with mobile phones."

Distrust, Irrelevance Temper Mobile Ad Engagement

August 6, 2012



Among smartphone owners who have never engaged with mobile ads, a lack of relevance is the top reason why, [according to](#) [download page] a July 2012 survey from **Hipcricket**. 43% of this group said that the ads were not relevant to their interests, while 39% said they did not appeal to them. Other common reasons for not engaging with a mobile ad include concern that it was spam (31%) and uncertainty over the source (21%). Overall, 35% of the mobile owners surveyed said that they have never engaged with a mobile ad.

WALL STREET AND SILICON VALLEY ARE BOTH HOPING HE IS RIGHT – AND THAT THE MOBILE WORLD IS NOT DESTINED FOR ITS OWN VERSION OF THE DOTCOM BUST BEFORE THE PROMISED PAY-OFF ARRIVES.

FOR NOW, ADVERTISING RATES ARE “TERRIBLE”, WITH CPMS, OR **COST PER THOUSAND VIEWS, RUNNING AT 35-40 CENTS**, SAYS MATT MURPHY, WHO RUNS THE MOBILE START-UP FUND AT VENTURE CAPITAL FIRM KLEINER PERKINS. **THAT COMPARES WITH RATES THAT ARE AS MUCH AS 20 TIMES HIGHER FOR PREMIUM WEB SITES**

The online ad industry’s [Making Measurement Make Sense](#) (3MS) initiative calls for a new viewability metric that would only measure **when 50 percent of an ad is in view for at least one second**. The

problem is, fewer than half of online ads meet that standard, according to a forthcoming study due out Tuesday

We've seen average ctrs drop over the years because it's not a natural behavior for people to click on a display ad and leave their current digital environment.

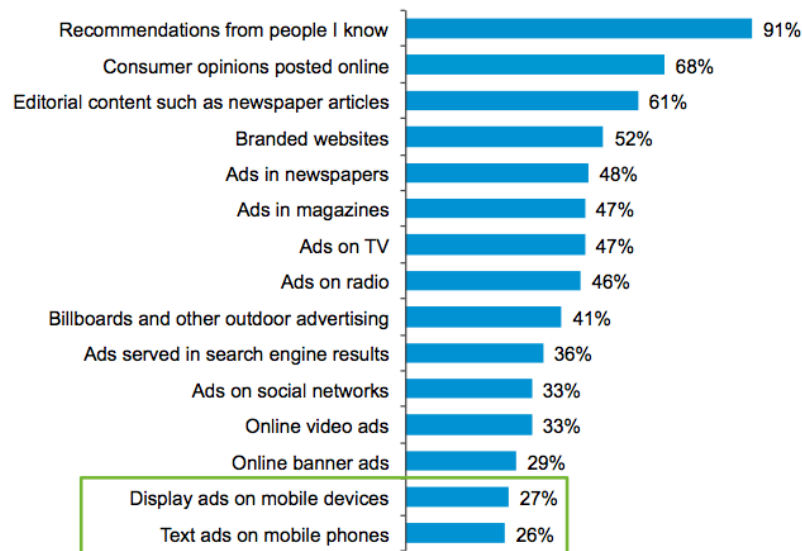
Campuses are a microcosm of the mobile world of tomorrow, a world in which consumers tethered to mobile devices live under economic pressure but spend nonetheless. As such, college campuses are fertile testing grounds for mobile marketers. However, college students are quick to judge and are easily turned off by messages that are interruptive or irrelevant.

Nearly seven in 10 students in a **Ball State University** survey reported they had been annoyed by mobile ads—and the most likely kind they reported seeing were text ads. Nearly half said they were actually less likely to purchase a product after seeing a mobile ad.

Trust in mobile ads is low

To What Extent do you Trust the Following Forms of Advertising

Global Online Survey (Q3 2011 n=501)



nielsen

6

Display Ads' Dubious In-View Performance

SEPTEMBER 7, 2012

Inventory bought via networks, exchanges most at risk

Are media buyers really spending half of their display ad budgets on wasted impressions?

According to second quarter findings from **AdSafe Media**, perhaps. *The ad verification service provider found that less than half of the ads worldwide purchased on ad exchanges, networks and publisher sites that passed through its system were in-view.*

Ads bought direct from publisher sites were in view the greatest percentage of the time. *AdSafe Media defined in-view impressions as any impression that had 50% or more of the ad unit visible for one second or more.* Note that after 15 seconds, just 21.1% of all publisher impressions were considered in view, compared to about 16% of ad network and exchange-purchased inventory.

Advertisers are also limited by what they can find out about smartphone users. **It's not technically possible to use cookies with smartphone apps the way it is with a browser.**

As of March 2012, about 10% of all US internet visits came from smartphones and tablets, according to [comScore](#)

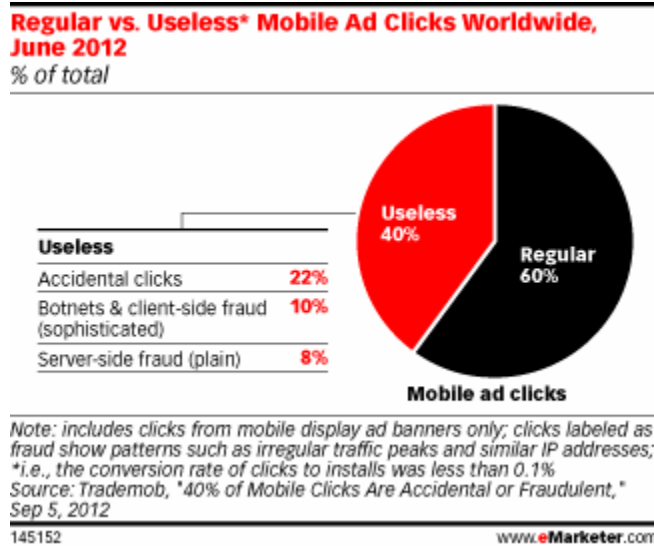
That's one reason smartphones are not working well as a medium for many advertisers. *The evidence is telling: advertisers are willing to pay much more to reach a thousand pairs of eyes gazing upon a computer or tablet than a thousand pairs looking at a smartphone screen.*

ON MOBILE, ADVERTISERS LACK AN IMPORTANT TOOL FOR ASSESSING RELEVANCE BECAUSE THEY ARE UNABLE TO PLACE COOKIES ON MOBILE DEVICES TO TRACK USERS' INTERESTS AND SUPPORT THE KIND OF BEHAVIOURAL TARGETING SEEN ON THE WEB. THE LOCATION INFORMATION SENT OUT BY MOBILE GADGETS PROMISES TO REPLACE THIS WITH A VALUABLE NEW FORM OF DATA, BUT FOR NOW, MOST COMPANIES SAY THEY ARE HOLDING BACK FROM TRYING TO APPLY THE INFORMATION BECAUSE OF THE LACK OF ACCEPTED NORMS FOR HOW TO USE THE INFORMATION WITHOUT INFRINGING PRIVACY. "SOCIETY IS STILL WORKING THAT OUT," SAYS MR KENNEDY OF PANDORA.

REPORT: 40% OF MOBILE ADS ARE A WASTE OF MONEY

9-17-2012

We've heard Pandora CEO Joe Kennedy point out how mobile advertising is booming. And, he's right. According to eMarketer mobile advertising will jump to \$5.9 billion by 2016. However, using the hottest or latest trend, (mobile advertising) doesn't always mean advertisers will get a great return on their investment. In fact, eMarketer has discovered it may be quite the opposite as 40% of all mobile ad clicks worldwide are deemed invalid.



“While traditional TV advertising is limited to pure branding, interactive mobile video ads can deliver branding, consumer engagement and sales,” he said.

Poorer is the key word. If publishers once lamented that offline dollars turned into "digital dimes" as content and audiences moved to the web, here's what might be keeping them up at night: Digital dimes are turning into mobile pennies. The effective cost per thousand impressions on the desktop web is about \$3.50, according to data crunched by Mary Meeker, partner at Silicon Valley venture-capital firm Kleiner Perkins Caufield & Byers. On the mobile internet? A whopping 75¢.

The ad experience on mobile phones is challenging for a number of reasons. **The smaller screen sizes make most ads unattractive, privacy settings restrict targeting and short user sessions make providing more than one ad in front of a user nearly impossible.** Meanwhile, encouraging readers to pay for mobile content has been an equally tough battle for many media companies. "There's no easy way to push 300 by 50 [pixel] ads and build big money off of it," said Mandar Shinde, AOL's senior director of mobile and mail monetization.

Meanwhile, media companies have inadvertently cannibalized mobile pricing by pawning off ad sales to **mobile ad networks**. These networks have gotten their hands on mobile-ad inventory much faster than ad networks did with desktop-browser inventory. As a result, they have been able to build high-volume businesses that sell mobile ads for prices below what many top-tier media companies such as NBC Sports believe is fair market value.

click-to-call buttons, which allow people to contact an advertiser directly about an offer using the phone in their hand. Its Android devices also can use **Google Now**, a virtual personal assistant that keeps track of your frequently visited locations and repeating calendar entries and then tries to provide relevant information, such as a traffic report minutes before you head to work. The company hasn't sent out any advertising through this service, but many in the industry expect it will: Besides the traffic, wouldn't you be interested in a coupon for a new breakfast sandwich at that coffee place on your way to the office?

Without a payment platform to determine whether an ad persuades a user to make an offline purchase. But if you use **Google Wallet** to pay a florist after Google sent you an ad from that florist, Google can make some conclusions about that ad's efficacy and adjust prices accordingly.

native advertising,” or advertising that's integrated with a site's regular content. In Facebook's case, that means ads that appear in a user's news feed, which the company calls a “sponsored story.”

“On mobile, the need to reduce friction in any transaction is exponentially greater.”

Multiple touch points

According to Ujjal Kohli, CEO of **Rhythm NewMedia**, Mountain View, CA, there are five main measurement metrics around mobile video.

Completion, engagement, context, brand lift and attribution metrics are all important to look at.

Completion and engagement metrics include click-through rate but also pull in other factors including completion rate, frequency distribution and time spent inside an ad unit.

Context metrics answer the question, “How premium is the context around which the ad is running?” Context is key to developing **relevant** mobile advertising for consumers and can be particularly important for high-class brand advertisers, according to Mr. Kohli.

Brand lift metrics measure factors such as brand recall and preference.

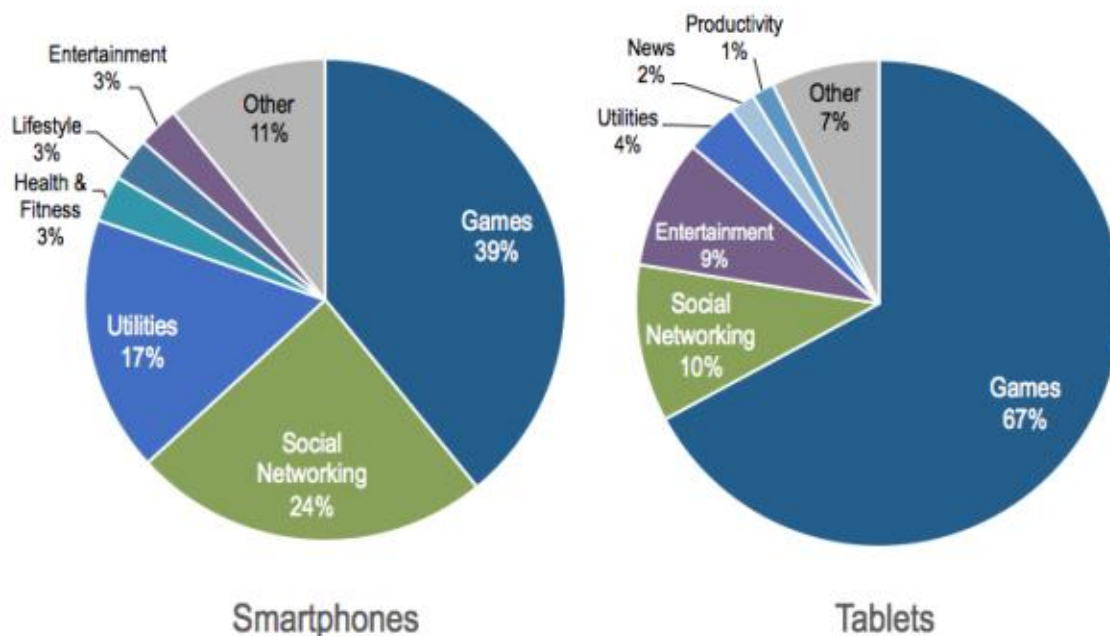
The last type of metric — **attribution** — measures purchase rates that can be tied directly to an ad. Depending on the brand, this could arguably be the most important metric for retailers and brands that want to tie a mobile video directly to sales

Talking Point: At the moment, most people view mobile ads as an intrusion but I suggest you ask your customers if they want to receive communications from you on their mobile device and what type of communications they expect.

The other concern I have with mobile today is that there seems to be a heavy interest from bargain hunters that want special offers, coupons, discounts etc. And I am not all that excited about investing limited resources chasing a segment of the market that will generate low margin sales combined with little to no loyalty

This year, the amount of time US consumers spent using mobile devices—excluding talk time—will grow 51.9% to an average 82 minutes per day, up from just 34 minutes in 2010, eMarketer estimates.

Time Spent per Category, Smartphones versus Tablets



Source: Flurry Analytics, Sep 2012

Mobile measurement

Mobile video tends to be cut shorter than other video formats to best capture mobile users' short attention spans, meaning that consumers have less time to take an action.also more episodic

Top mobile predictions for 2013

By [Rimma Kats](#)

December 7, 2012



Augmented reality will be big in 2013

Mobile has taken many strides this year and was incorporated heavily into brand marketing efforts. With new technologies such as augmented reality and mobile payments taking over, there is no doubt the medium will make an even bigger impact next year.

While 2011 and 2012 were the years of trial and error, 2013 will help marketers cement their initiatives and better reach consumers. Industry experts agree that the space will gain even more momentum next year.

“In the year ahead marketers must implement and successfully execute the following three best practices – measure, track and analyze everything,” said Chia Chen, senior vice president and mobile lead at Digitas North America.

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“Make one Web – ensure content and functional parity between mobile Web and desktop Web,” he said. “Make sure people can transact with your brand via mobile device.

“Otherwise, mobile performance marketing is a non-starter.”

Context king

In 2013, the context dream will come true.

The great promise of mobile marketing was always that a better understanding of a consumer’s context would be able to give brands the ability to identify key moments and connect with them in hyper-relevant ways, per Mr. Chen.

For example, brands could target special offer messages to people who are close to a big box retailer.

“Unfortunately, the reality has been that mobile device users generate a ton of data that take an enormous amount of processing to turn into targetable segments,” Mr. Chen said. “That said, we’re seeing companies like PlaceIQ, Jiwire, Qualcomm, the wireless carriers, and the social networks starting to map the raw data into actionable triggers and attributes.

“And they are using more than just location and location-based meta-data to determine context,” he said. “We refer to it as the mobile graph, a mapping of all of the mobile-generated consumer data to targetable intent.

“2013 will see mobile graphs being generated and used at scale.”

Next year will also bring about a mobile-triggered CPM crisis.

Mobile is adding hundreds billions of impressions to digital media inventory. However, demand is not keeping up with supply.

“For many media companies, the proportion of visitors coming from mobile devices is growing very quickly – in September, for example, about 49 percent of visitors to ESPN sites came from mobile devices – and outstripping their ability to monetize the impressions from those visitors,” Mr. Chen said.

“Consistently lower CPMs from mobile impressions will cause blended CPMs to decline significantly for multi-channel media companies,” he said. “Lower mobile CPMs will also contribute to consolidation in the mobile media networks in 2013.”

Furthermore, the executive believes that 2013 will be the end of the mobile Web.

“In working with our clients to develop their Web experiences, we are seeing data that indicates mobile users are increasingly frustrated by mobile-optimized Web sites that don’t have all of the functionality or content of the desktop version,” Mr. Chen said. “Users want to access all of the brand’s content and functionality from any device.

“We will see many more brands turn to responsive Web design to implement the one Web site, multiple devices philosophy,” he said.

Breakout star

While there have been several breakout channels this year, including QR codes, rich-media advertising and location-based technology, emerging technologies such as augmented reality will take the lead next year.

“Augmented reality enables the delivery of content on real time,” said Ben Davis, CEO of Phizzle. “QR codes were big, but it stopped.

“Companies didn’t have mobile versions of their Web sites and when consumer scanned the mobile bar codes, the content they received wasn’t formatted on their device,” he said.

“Augmented reality content has to be form fitted for the phone or it won’t work. And, the challenge is educating consumers that the technology is available.”

Another big player in 2013 will be loyalty.

With the proliferation of new technology including near field communication, as well as Apple’s Passbook, consumers are going to become more comfortable making purchases using their mobile devices.

However, loyalty will play a big role in making that happen.

“Loyalty will be the most important trend in mobile,” Mr. Davis said. “However, it’s going to take time before people are comfortable using their phone as a method of payment.

“Next year, marketers should concentrate on customer relationship management,” he said. “It’s all about the data and analytics – CRM is the most important aspect of mobile marketing.

“There’s going to be nothing but growth, especially smartphone penetration. Mobile is growing exponentially and there’s going to be a lot of innovation in the space.

Mobile experiences

In addition to mobile marketing, the mobile commerce space has been growing daily.

Companies such as Amazon, Starbucks, Target and McDonald's are using mobile as another revenue driver.

Mobile is no longer just another accessory – it is a necessity.

“Mobile will become even more pervasive in shopping and commerce,” said Ludo Collin, CEO of EachScape.

“Mobile in the enterprise will become even more pervasive in the enterprise,” he said. “In addition, apps will continue to win big for engagement and consumer usage.”

In addition to a rapid growth in mobile traffic, the tablet space will continue to explode.

“Also, cloud services will become more popular, enterprise mobility will gain even more additional ground and mobile commerce and payments will continue to rise, but still having a few hurdles to overcome,” said Tom Nawara, vice president of emerging solutions and innovations at Acquity Group.

“Beyond that, I also believe we'll see a big move into more immersive input – a gestural, voice, audio – and output – augmented reality, pico projectors – related to mobile and connected devices,” he said.

“In addition, we will see SoLoMo evolve to SoLoMoCoDa – social, local, mobile, commerce and data – with the number of mobile transactions rising considerably and the amount of data collected from mobile and connected devices going through the roof.”

Mr. Nawara also predicts that marketers will see the second-screen become more and more important, with major brands putting money into programs and campaigns addressing the rapidly growing connection between television and mobile devices.

“Organizations need to think and plan from an omnichannel perspective – understanding customer interaction occasions in all touchpoints and planning for consistent experiences across all of them – but act from a mobile-first stance – understanding that mobile has very quickly become the hub of consumer/brand engagement,” Mr. Nawara said.

Final Take

Rimma Kats is associate editor on Mobile Marketer, New

NEW YORK, Oct. 3, 2012 /PRNewswire/ -- A joint study by AOL Inc. and BBDO reveals that 68% of consumer mobile phone use occurs in the home. By mining beneath the surface of "what" people are doing with their smartphones to better understand the "why" behind those mobile actions, this study uncovered several insights that run counter to the traditional view of the mobile space. The research shows that there is untapped value for brands when they look beyond the

conventional view of what consumers do on their smartphones. The announcement was made at Advertising Week 2012 taking place in New York City, October 1-5, 2012.

The study, conducted by research firm InsightsNow, implemented a unique three-phase approach that looked at consumer usage of mobile from qualitative, quantitative and ethnographic perspectives. Smartphone users completed a seven-day diary, making video recordings throughout the day as they used their phones. This was followed by in-depth interviews and a survey conducted among 1,000 smartphone users from June

to August, 2012. Arbitron Mobile Oy's, a subsidiary of Arbitron Inc., Arbitron Mobile Trends Panels(TM) service was used to track a mobile panel for a 30-day period. The panel was used to track user behavior and clickstreams in the US, across mobile web, apps, and other mobile services. The result was a database of over 3,000 mobile interactions or moments. These moments (which excluded email, SMS and voice calls) were then segmented according to the underlying needs and motivations of the participants. By using this approach, the research was able to uncover which user needs are fulfilled by a surprisingly wide variety of mobile interactions.

Among the key findings:

1. Mobile isn't always on the go. In fact, well over half of all mobile interactions measured in the research occur in the home, challenging conventional wisdom.

2. These mobile interactions can be segmented into seven distinct "mobile motivations" that encompass most mobile use. These include:

- a. Accomplish - managing activities and lifestyle to gain a sense of accomplishment
- b. Socialize - active interaction with other people
- c. Prepare - active planning in order to be prepared for upcoming activities
- d. Me Time - seeking relaxation and entertainment in order to indulge oneself or pass the time
- e. Discover - seeking news and information
- f. Shop - focusing on finding a product or service
- g. Express Myself - participating in passions and interests

3. Me Time is by far the biggest "Mobile Motivation." Me Time accounts for almost half (46%) of all smartphone app and website motivation, averaging 864 minutes per month per user, per Arbitron Mobile. Seventy percent of these moments are lean-back experiences.

4. Mobile advertising performs poorly in Me Time on key ad effectiveness metrics. This is because the vast majority of messages are not relevant to the use at that time, are easy to ignore, or get in the way.

Based on these findings, AOL and BBDO have identified the following recommended actions to help marketers, agencies and brands improve their mobile interactions with consumers:

1. Think about mobile as part of something bigger. Move beyond the conventional surface view of mobile behaviors to align your messaging with the underlying motivators that propel mobile interactions.
2. Focus on "Me Time." Think about ways you can redirect mobile communications to help users indulge and enjoy themselves.
3. Recognize there are other mobile motivations. Targeting communications to capitalize on these motivators can increase engagement.

"Many in the industry tend to focus their messaging on the nature of the devices consumers are using, as opposed to the mindset they are in when using the device" said Christian Kugel, VP, Consumer Analytics and Research at AOL. "This study was designed to uncover what's going on beneath the surface so that marketers can better understand what roles smartphones actually play in the lives of consumers. That includes realizing that much of use occurs when people are on their couches, not away from home."

Added Simon Bond, BBDO's Chief Marketing Officer, "In the end, it's all about helping agencies and creatives create the most compelling content. And based on our findings, that compelling content should be me-based, home-based, entertainment-based, not solely geo-location based."

Additional findings from this study are scheduled to be revealed at the Mobile Marketing Association's "Smarter Mobile Marketing" Conference on October 3, which is being held as part of Advertising Week 2012 in New York City.

-
- Financial services firm [Cowen and Company](#) surveyed 50 major US ad buyers in various industries in September and found that eight in 10 planned to increase their mobile advertising in the next 12 to 18 months. By the end of that time period more than three-quarters of respondents expected to devote at least 5% of their total ad budget to mobile.
- But devoting more spend to mobile is as much about putting more ads in the channel, as it is a result of rising mobile ad prices as advertising in the space matures.
- The highest percentage of respondents believed the fast adoption of smartphones and tablets was the No. 1 factor driving up the price of ads on mobile, at 70%, indicating that mobile penetration is the most important factor determining advertising value. Improved ad formats on mobile was also an important factor

buyers perceived as driving up prices, cited by two-thirds of respondents.

Interestingly, increased mcommerce was only seen as a factor in rising prices by just over half of respondents.

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Is the mobile tracking issue improving?

By [Chantal Tode](#)

December 6, 2012

Several recent developments address mobile tracking issues

Tracking mobile users presents several challenges for marketers, a fact that threatens to hamper growth in mobile marketing. Several recent developments promise to address these issues and to open the door for more effective mobile ads.

It is clear that the industry understands the need for better tracking methods if mobile is to grab a bigger portion of marketing budgets. This is why, over the past couple of months there have been several advancements, such as a new identifier for iOS 6, a unified view of Web and mobile audiences from comScore and a new targeting method from upstart Adelphic,

“The gap between mobile’s share of online minutes and ad spend isn’t only down to tracking difficulties, but tracking is definitely a barrier,” said Andrew Shebbeare, founding partner and chief strategist at Essence Digital, New York.

“I’ve lost track of the number of times a client has ditched a mobile effort because of measurement difficulty or ROI skepticism,” he said.

“I think that answering that challenge is key to driving up eCPMs in mobile for publishers. The medium dictates that more ads are not the answer - we need better ads.”

Replacing the UDID

Advertising on mobile is a growing business dependent in part on the ability of marketers to measure the success of their efforts so they can determine ROI and optimize campaigns. However, because of mobile’s relative immaturity compared to desktop advertising and issues related to privacy, tracking users in mobile has been a thorn in many a marketer’s side.

Recent developments meant to address some of these problems include the new Advertising Identifier introduced with iOS 6. It is supposed to replace the UDID, which, although widely used, has increasingly been a focus of privacy concerns.

The new Advertising Identifier tries to address some of the concerns with UDIDs by being a non-permanent, non-personal device identifier.

Another development is the introduction of a new unified view of Web, smartphone and tablet audiences from comScore. The beta release of Media Metric Multi-Platform in the United States hopes to provide better audience measurements for publishers that better represents the shift toward mobile for digital media consumption using proprietary methods that account for multi-platform audience overlap.

In some cases, the overall audience increases for media properties with a strong mobile presence are substantial, potentially making it easier for them to sell mobile ads.

There is also a new player on the scene called Adelphic Mobile, which claims to use a combination of targeting techniques and data-collection to identify mobile users. The company recently raised \$10 million in a new round of funding lead by Google Ventures.

A great view

At issue for marketers, which for direct response or brand efforts in the mobile space, is how to gain the most complete view of mobile users. In general, there is a need for cross-platform approaches, which are starting to emerge.

“Right now there is no getting away from the fact that every technology has gaps in coverage, and limitations in scope,” Mr. Shebbeare said. “The solutions we’re most excited by are the ones that bridge technologies to deliver the most complete view across the many user journeys we need to answer for in mobile.”

Mr. Shebbeare also points to the emergence of cross-publisher platforms as a step in the right direction.

However, there needs to be more unified solutions from ad-serving companies in order to move mobile advertising ahead even further.

“I’m expecting to see the major ad serving players start to offer unified solutions,” Mr. Shebbeare said.

“That’s good for everyone, because they are trusted by advertisers and understood by marketers, so they can play a really useful consolidation role,” he said.

“When this starts to happen - hopefully through 2013 - I think we’ll see more standardization of measurement practices in mobile.”

Beyond cookies

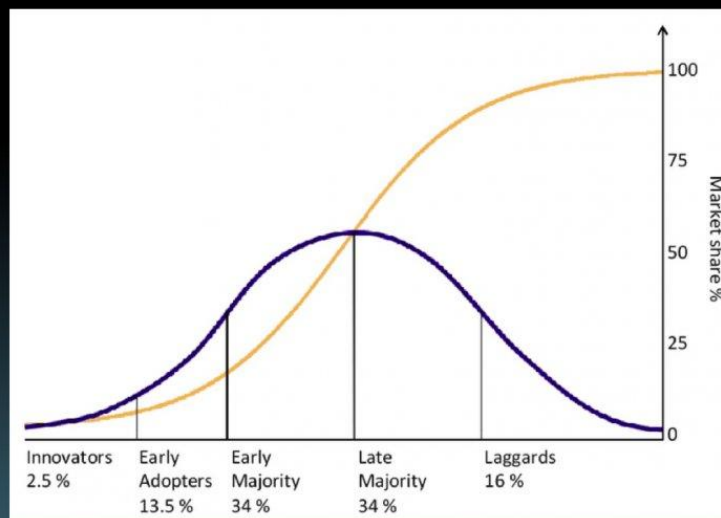
One strategy for providing a better view of mobile users that Essence is taking with its clients is to bring IP addresses into the measurement mix, especially for campaigns that span devices. Done correctly, such a strategy can help prove mobile's contribution.

“With the right selection parameters, we see this as a potential solution to the cross-device challenge - for a user watching connected TV, a Wi-Fi connected tablet is the most likely conversion point,” Mr. Shebbeare said. “We are increasingly able to tie those events together, and to design robust experiments that prove the incremental lift we’re generating.

“Of course this whole question is not really about mobile at all,” he said. “It’s about your phone but also your console, your set top-box, your tablet, your ereader and quite possibly your computer as well.

“Cookies are a shrinking part of an increasingly complex equation, and we all need to be ready to work with hybrid technologies.”

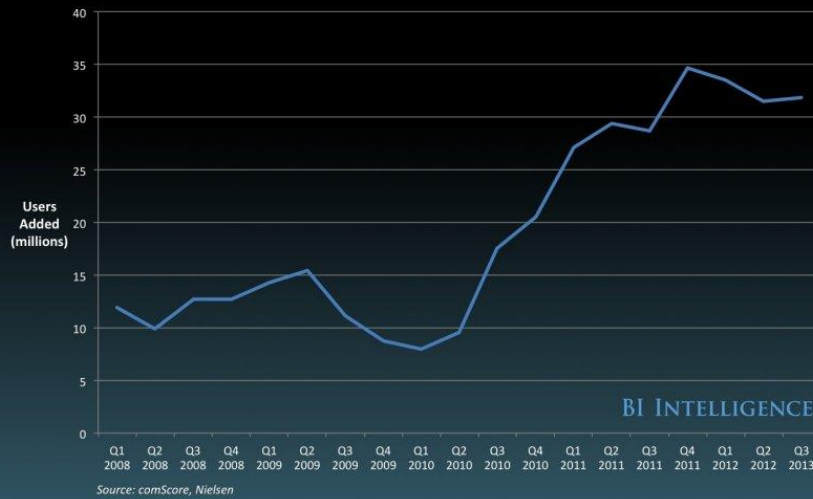
But growth slows after 50% penetration



BUSINESS
INSIDER

US smartphone growth starting to slow

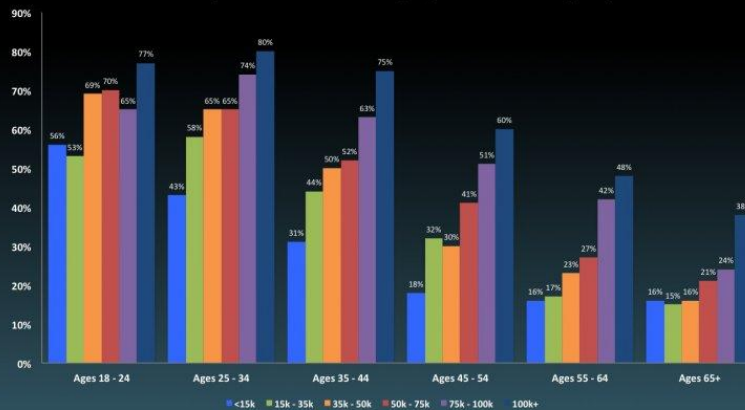
U.S. Smartphone Market: Year-Over-Year Net Adds



BUSINESS
INSIDER

Most future US smartphone buyers will be older and poorer

Smartphone Penetration By Age And Income (U.S.)

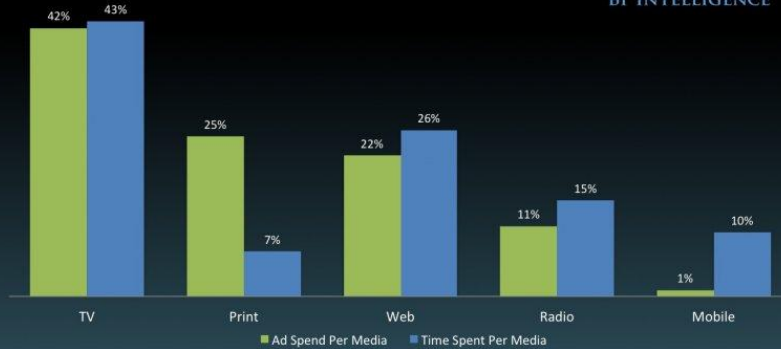


BUSINESS
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The “bullish” mobile-ad story is the huge gap between time-spent and ad spending.

2011 U.S. Ad Spending vs. Consumer Time Spent By Media

BI INTELLIGENCE



Source: Mary Meeker (KPCB), eMarketer, IAB

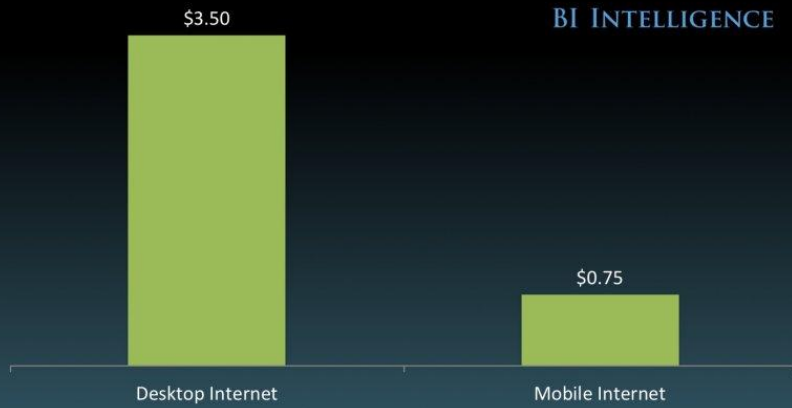
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But maybe there's a good reason
for that gap...

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Mobile CPMs are much lower

Effective CPM, Desktop vs. Mobile



Digital is now a 4-screen world...



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The “JiWire Mobile Audience Insights Report Q3 2012” also looks into consumer use of mobile devices for research. Asking respondents when they typically research a \$100 product from their device, the study finds that mobile owners most often do so at home (69%). That’s not too surprising a result, given recent data from AOL and BBDO showing that 68% of consumer mobile phone use occurs inside the home.

Still, the JiWire survey reveals that 36% typically research a product at the \$100 price point while on-the-go, and 20% do so as an immediate response to seeing an ad.

Mobiles Come Out At The Mall, Stay Hidden At Clothing Retailers

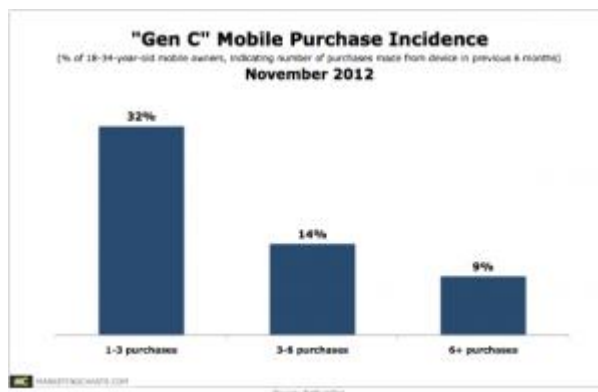
Further details from the JiWire report reveal where consumer usage of mobile devices is highest – and lowest. Based on ad requests per user, malls (70) emerge as the location of highest mobile activity, followed by libraries and campuses (each at 67). Hotels (47) are next, while big box retailers (39), airports (37), and quick service restaurants (35) all see similar levels of usage.

On the other side of the spectrum, consumers tend to keep their mobiles in their pockets at clothing retailers (16), car dealers (23), and electronic retailers (24), surprising given the buzz about showrooming.

About the Data: JiWire’s Mobile Audience Insights Report is based on data from approximately 315,000 public Wi-Fi locations, as well as surveying nearly 1,400 customers randomly selected across JiWire’s Wi-Fi Media Channel in July ’12 – Sept ’12. JiWire serves advertisements to over 30,000 public Wi-Fi locations in North America and records data from every ad request. The report is based on the ad request data collected from July – Sept 2012.

Generation C” No Stranger to Mobile Purchases

November 9, 2012 by MarketingCharts staff



The press usually describes the 18-34-year-old demographic as “coveted,” and with reason, [according to](#) [download page] RadiumOne survey findings released in November 2012. Asked how many purchases they’d made over the last 6 months using mobile devices, 55% of mobile-owners in the

demographic reported having made at least 1. Specifically, 32% said they had made 1-3 purchases, 14% had made 3-6 purchases, and 9% had made more.

Nielsen has dubbed the 18-34 demographic as “[Generation C](#)” for its constant connectivity, and described them as uniquely embracing all things digital. While Generation C represents 23% of the US population (US Census data), it represented an outsized portion of online video consumption (27%), social networking and blog sites visits (27%), tablet ownership (33%) and smartphone use (39%), as of February 2012.

Mobile For Recommendations

Half of the RadiumOne survey respondents used that connectivity (their smartphones specifically) to share coupons, sales and ads with friends. 31% reported doing so 1-3 times per month, 16% did so 3-6 times per month, and 3% more than six times. This number is especially significant, as 79% also responded that their mobile purchases are driven largely by personal recommendations.

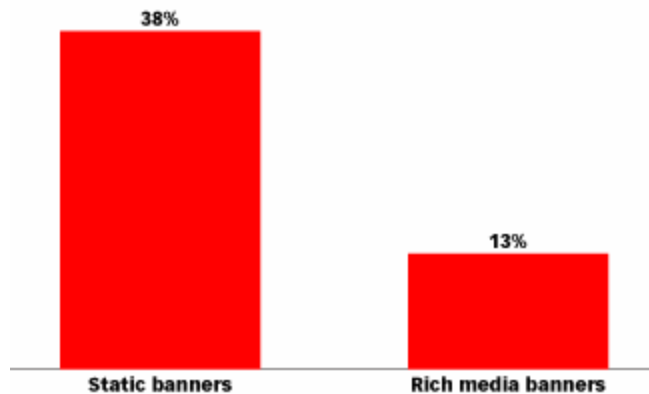
Fully 47% of Gen C respondents reported having clicked on a mobile ad in the previous 3 months, and 55% had used their mobile devices to comparison shop at least once per week, including 22% who claimed to comparison shop using their mobile device more than 3 times a week.

Video ads seem to be a smart bet to reach this demographic, as 39% of respondents viewed 1-5 videos per day on their smartphones and 9% viewed 5+ videos. Cross-media campaigns also seem worthwhile, as 37% reported using a smartphone and 19% using a tablet computer while watching TV.

About The Data: RadiumOne conducted a survey of more than 500 mobile users in October 2012.

Accidental Click Rate Among Static and Rich Media Mobile Ads Served by GoldSpot Media, 2012

% of total clicks



Note: clicks/taps are defined as accidental if the user engagement lasts less than 2 seconds, i.e., the user has closed the ad, app or site within 2 seconds

Source: GoldSpot Media, "The Fat Finger Report 1.0," Oct 25, 2012

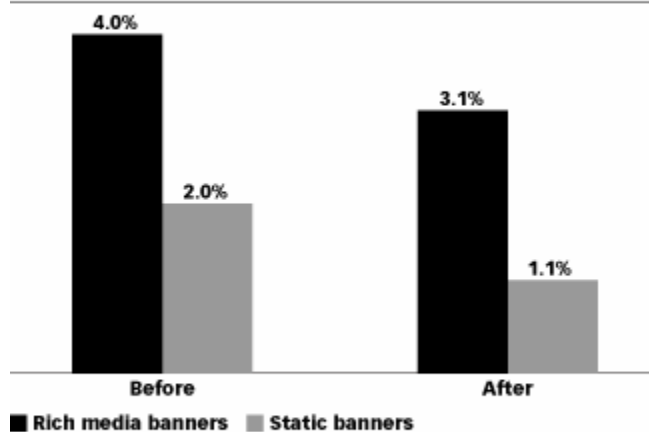
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www.eMarketer.com

That drives effective clickthrough rates far down from how the raw numbers appear. GoldSpot found a 4% clickthrough rate on rich media banners, for example, but after removing accidental clicks the percentage was cut in half. Static banners, which were more likely to suffer from fat fingers, lost even more of their clickthrough rate, dropping from 3.1% to 1.1%.

Clickthrough Rates for Static and Rich Media Mobile Ads Served by GoldSpot Media, Before and After Accounting for Accidental Clicks, 2012

% of total clicks



Note: clicks/taps are defined as accidental if the user engagement lasts less than 2 seconds, i.e., the user has closed the ad, app or site within 2 seconds

Source: GoldSpot Media, "The Fat Finger Report 1.0," Oct 25, 2012

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www.eMarketer.com

On the bright side for mobile marketers and publishers, these clickthrough rates are still significantly higher than the dismal percentages seen for much inventory on the desktop web. Whether this is due to mobile's novelty as an ad delivery channel or particular

effectiveness, a banner click rate over 1% is nothing to sneeze at. It's 10 times as high as the average banner click rate worldwide reported in June by [MediaMind](#), for one thing.

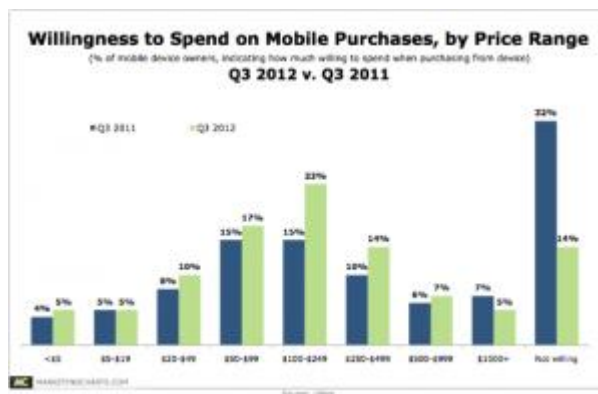
But if accidental clicks are so common, it does point to a problem with using clickthrough as a measure of success—or as a pricing mechanism—for mobile campaigns.

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Check out today's other articles, "[Ereader Shipments on the Rise](#)" and "[In Western Europe, Rich Media Will Make Greatest Display Gains.](#)"

1 in 2 Mobile Owners Willing To Spend More Than \$100 On Purchase Via Device

November 12, 2012 by MarketingCharts staff



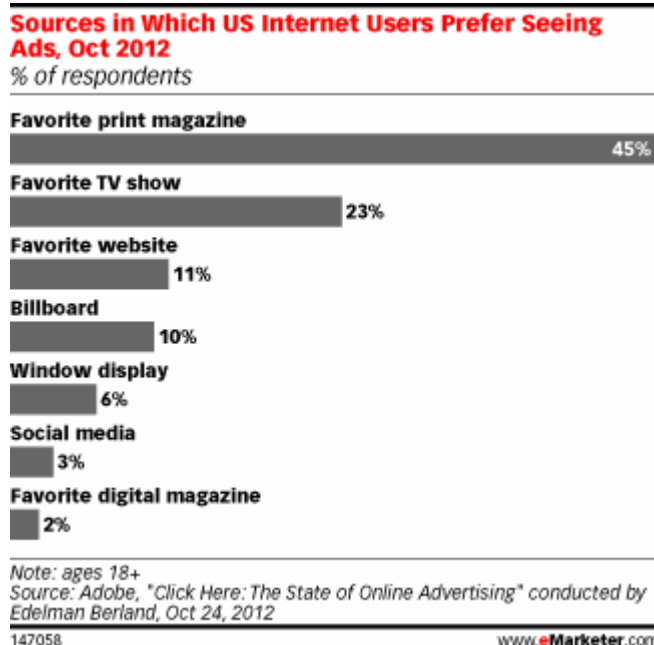
Research has shown that [mobile owners tend to shy away from making big-ticket purchases](#) using their devices. But, a [new study \[pdf\]](#) from JiWire indicates that mobile owners are becoming more comfortable spending larger amounts when purchasing from their device. Based on a survey conducted in Q3, the study finds that 49% of respondents would spend more than \$100 on a purchase and two-thirds more than \$50. That's up from 38% and 53%, respectively, in Q3 2011.

Overall, a plurality (23%) from the latest survey said they would be willing to spend between \$100 and \$250 on a purchase from their device. In fact, just 14% said they would not be willing to make any purchase, less than half the proportion (32%) from the previous year.

A survey from Localytics found that 26 percent of apps are opened only once. Does that really help branding

In an October [Adobe](#) survey of marketers and consumers, US marketers even rated online ads better than TV ads—though just barely, with 51% saying that they were more effective. But consumers appeared stuck in the past, with about two-thirds claiming TV commercials were more effective.

Consumers also appear to like seeing ads in traditional media better than on newer digital devices. Asked about their preferred venue for ads, 45% said they liked seeing them in their favorite print magazine and 23% on their favorite TV show, compared to just 11% who chose favorite websites, 3% who chose social media and 2% who liked to see ads in digital magazines.



Marketers and the consumers they are trying to reach disagreed on the effectiveness of a wide variety of ad types, according to the survey. Though both groups thought the best ads were those created by professional marketers, nearly half of marketers said this, compared with just 36% of internet users. There was large disagreement about the effectiveness of paid search ads (touted by marketers, played down by web users) and outdoor advertising (the reverse). Internet users were also much more likely to say there were no good or effective ads—positions which marketers were extremely unlikely to hold, for obvious reasons.

Digital Experts Tell Us The 7 Biggest Challenges Of Advertising On Tablets

[Laura Stampler](#) | Nov. 15, 2012, 4:12 PM | 1,047 |

This is the second of a five-part series called "The Tablet Effect." This series takes a look at how tablet devices are changing the way advertisers think about advertising dollars. "The Tablet Effect" is sponsored by Yume.

With more consumers purchasing tablets, tablet ad spending is predicted to [crush smartphone ad budgets over the next four years](#).

Although the screen size and greater functionality provides exciting opportunities, advertisers are still facing major challenges when advertising on tablets.

We polled experts from R/GA, [Razorfish](#), and [Mojiva](#)— known for leadership in the digital advertising world — to see the biggest problems with tablet advertising right now.

1. Getting the budget:

According to Jonathan Greene, R/GA's managing director of mobile and social practice, "It can be challenging to get clients to invest in mobile advertising, and adding tablets as another potential touchpoint adds complexity in the sell-through."

In fact, even though tablets are rapidly rising in popularity — [Gartner predicted that 655 million units](#) will make it into users' hands by 2016 — experts told BI that both brands and advertisers still think of advertising on the device as an afterthought.

"I hear rumblings around the industry that the reason some of these agencies/brands won't invest big budgets (compared to other mediums, that is) into the space is because no one has "cracked it" yet," Amy Vale, VP of global research and strategic communications for Mojiva, said. "I don't think that is true at all. Mobile and tablet advertising work, it's just about understanding the mediums and developing campaigns specific for each."

Although Vale continued that Mojiva Tab, the company's tablet network, has seen a 20-fold increase in tablet ad requests in the last 20 months with 2.13 billion tablet ad requests per month as of August.

2. It's hard to see an ad's reach:

Furthermore, when ad shops are trying to convince clients to invest in digital advertising, [said clients usually want to see statistics for the advertisements' potential reach](#).

Unfortunately, those numbers are virtually impossible to find.

"Publishers are a bit cagey in disclosing tablet readership — plus there's no third party verification that I'm aware of," Jeremy Lockhorn, VP of emerging media and advanced media solutions at Razorfish, told us.

3. Publishers are charging too much:

Publishers actually have a long way to go to make tablet advertising an easier and more compelling service.

Lockhorn continued that monetary challenges aren't just coming from the clients, but "Publishers, too, are still figuring out how to support **from a technology perspective, and how to price it.**"

"I've heard some very ridiculous price quotes for "interactive" ads in magazines on tablets," he told BI. "So that's a challenge. It'll get sorted out, but it's frustrating in the near term."

4. Premium supply is essential:

Vale added to her cohorts' laundry list of complaints with publishers aiding the progression of tablet ads.

"Many publishers are still slow when it comes to building a mobile-optimized site, let alone a tablet-optimized site or application," she said. "Publishers need to prioritize their mobile strategies to include both tablet and smartphone experiences for users; only then will they fully harness the monetization opportunities that are available to them."

5. Remember — tablets are different than phones:

Not all second screen experiences are created equal. Sure phones and tablets are both "mobile," but screen size and functionality should lend themselves to different user experiences.

"One challenge is understanding and educating how tablets are different from phones," Greene said. "People typically think about richer ads (like iAD), which comes with a host of caveats."

Vale agreed, stating:

"Both devices should be treated differently when planning for a campaign – the user experiences, audiences and engagement of tablet devices are very different from mobile. Tablet is far more of a laid back, immersive experience, whereas mobile is transactional snippets of information. Tablet devices also tend to be one piece of a multi-screen experience and are predominantly used in the home (while simultaneously using other media). The type of content and activities performed by users on tablets is often long-form such as reading news articles and watching videos. Not understanding, integrating and then tailoring tablet ad campaigns based on these insights is a detriment to brands."

6. The creative needs to get more ... creative:

"The vast majority of ads are simply taken directly from the magazine – static imagery," Lockhorn said. "Beautiful, but not capitalizing on the inherent interactive capabilities of the device."

7. The ads need to be more of a streamlined experience:

"Interstitials, forced slideshows and auto-starting videos may drive page views and impressions, but they can create awkward and disruptive user experiences," Greene said. "Recently I saw a takeover ad open within a web window inside of [Twitter](#), which rendered the ad impossible to close. It's unlikely that the ad server was aware of where it was serving the ad, but we need to do better than this."

Talking Point: At the moment, most people view mobile ads as an intrusion but I suggest you ask your customers if they want to receive communications from you on their mobile device and what type of communications they expect.

!

The other concern I have with mobile today is that there seems to be a heavy interest from bargain hunters that want special offers, coupons, discounts etc. And I am not all that excited about investing limited resources chasing a segment of the market that will generate low margin sales combined with little to no loyalty

“While people are listening on mobile phones, putting an ad in front of them is not very effective, because the listener also is mobile and usually not looking at the screen.”

Consumers Spend More Time with Mobile as Online Growth Slows

OCT 23, 2012

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Ad dollars slow to catch up

The shift to mobile is on. According to eMarketer estimates, time spent using mobile devices for activities such as internet and app use, gaming, music and others has more than doubled in the past two years.

This year, the amount of time US consumers spent using mobile devices—excluding talk time—will grow 51.9% to an average 82 minutes per day, up from just 34 minutes in 2010, eMarketer estimates.

Mobile growth comes as time spent online, which includes desktop and laptop computers and other nonmobile connected devices such as internet-connected TVs, will continue rising but at a slowed pace from previous years. This year, eMarketer estimates time spent online will grow just 3.6% to an average 173 minutes per day, compared to 7.7% growth in 2011 to 167 minutes per day.

**Average Time Spent per Day with Major Media
by US Adults, 2009-2012**

minutes

| | 2009 | 2010 | 2011 | 2012 |
|--------------------------|------------|------------|------------|------------|
| TV | 267 | 264 | 274 | 278 |
| Online | 146 | 155 | 167 | 173 |
| Radio | 98 | 96 | 94 | 92 |
| Mobile (nonvoice) | 22 | 34 | 54 | 82 |
| Print* | 55 | 50 | 44 | 38 |
| —Newspapers | 33 | 30 | 26 | 22 |
| —Magazines | 22 | 20 | 18 | 16 |
| Other | 44 | 47 | 45 | 36 |
| Total | 632 | 646 | 678 | 699 |

*Note: time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on a PC while watching TV is counted as 1 hour for TV and 1 hour for online;
*offline reading only
Source: eMarketer, Oct 2012*

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Since online already accounts for an average of nearly 3 hours of time spent with media each day, double-digit growth rates are unlikely even as consumers continue to do more activities and spend more time with their desktop and laptop computers.

Mobile, by contrast, is growing quickly from a small base—and growth in time spent is also being boosted by fast uptake of smartphones and tablets, which have still penetrated only a minority of all consumers. As more US consumers continue to acquire these devices, and current owners shift more of their digital activities to mobile and portable devices, mobile is grabbing an ever-greater share of time with all media—potentially at the expense of faster online growth.

Share of Average Time Spent per Day with Select Media by US Adults vs. US Ad Spending Share, 2009-2012

% of total

| | 2009 | | 2010 | |
|-------------------|------------------|-------------------|------------------|-------------------|
| | Time spent share | Ad spending share | Time spent share | Ad spending share |
| TV* | 42.2% | 36.5% | 40.9% | 38.4% |
| Online | 23.1% | 15.2% | 24.0% | 16.6% |
| Radio | 15.5% | 9.7% | 14.9% | 9.9% |
| Mobile (nonvoice) | 3.5% | 0.3% | 5.3% | 0.5% |
| Print | 8.7%** | 27.3% | 7.7%** | 24.7% |
| —Newspapers | 5.2% | 16.8% | 4.6% | 14.8% |
| —Magazines | 3.5% | 10.5% | 3.1% | 9.9% |
| | 2011 | | 2012 | |
| | Time spent share | Ad spending share | Time spent share | Ad spending share |
| TV* | 40.4% | 38.3% | 39.8% | 38.9% |
| Online | 24.6% | 19.3% | 24.8% | 20.9% |
| Radio | 13.9% | 9.6% | 13.2% | 9.3% |
| Mobile (nonvoice) | 8.0% | 0.9% | 11.7% | 1.6% |
| Print | 6.5%** | 22.6% | 5.4%** | 20.7% |
| —Newspapers | 3.8% | 13.1% | 3.1% | 11.5% |
| —Magazines | 2.7% | 9.6% | 2.3% | 9.2% |

Note: time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on a PC while watching TV is counted as 1 hour for TV and 1 hour for online;

**TV time spent includes live, DVR and other prerecorded video such as video downloaded from the internet but saved locally; TV ad spending includes broadcast TV (network, syndication and spot) and cable TV;*

***offline reading only*

Source: eMarketer, Sep & Oct 2012

146106

www.eMarketer.com

This shift has been problematic for some advertising publishers who have not necessarily seen ad dollars follow suit. Even on the desktop web, the share of ad dollars is still playing catch-up to the share of time spent with the medium—and that game is even further behind on mobile, which will see just 1.6% of US ad spending this year even as adults spend an average of 11.7% of their media time with their phones and tablets.

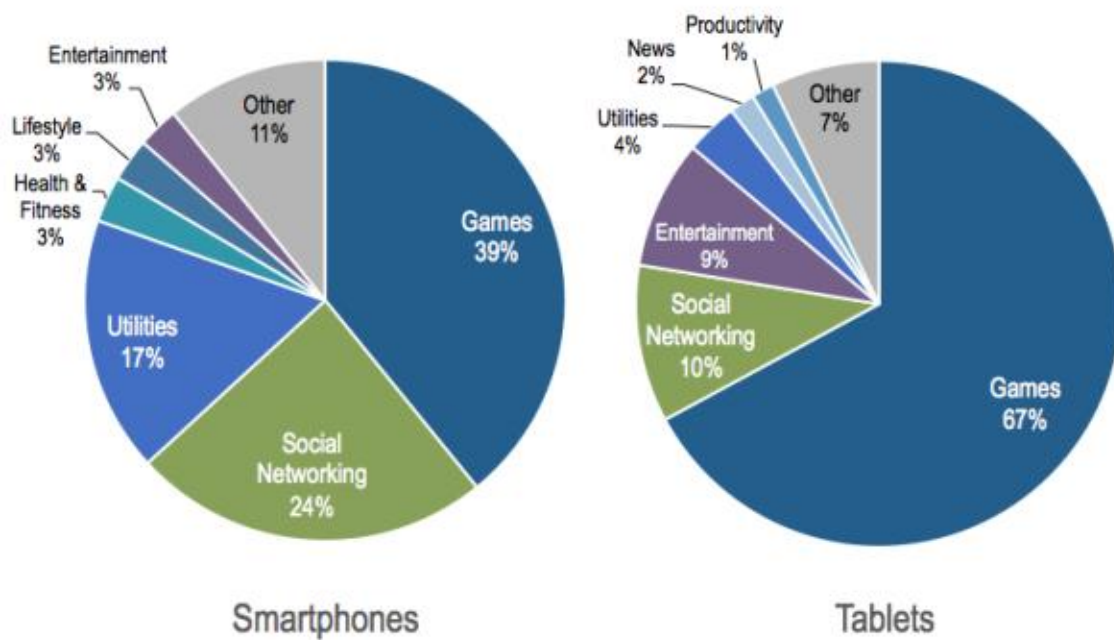
While mobile advertising is expected to grow rapidly in the next few years—eMarketer estimates that overall US mobile advertising spending will reach \$2.61 billion this year before rising to nearly \$12 billion in 2016—there are some significant barriers that both marketers and ad publishers will have to overcome before mobile ad spending will achieve parity with the share of time spent by consumers on mobile devices.

eMarketer bases its estimates of time spent with media on an analysis of estimates from other research firms, consumer media consumption and device adoption trends.

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Check out today's other articles, "[Marketers Deploy, Measure 'Non-Promotional' Content](#)" and "[For Online Buyers in Latin America, Purchase Path Begins at Retailer Site](#)"

Time Spent per Category, Smartphones versus Tablets



Source: Flurry Analytics, Sep 2012

Mobile ad spend undergoing fastest growth rates in US: IDC

By [Chantal Tode](#)

October 30, 2012



The 1800-Flowers mobile site

With the number of mobile users of the Internet expected to outnumber PC users by 2015, mobile advertising is expected to grow significantly, reaching \$28.8 billion in 2016, according to a new report from IDC.

The U.S. leads in the trend toward mobile Internet use and, as a result, the shift in digital advertising will be most pronounced there. In the U.S. alone, mobile advertising spend is expected to reach \$14.8 billion by 2016, up from \$2.1 billion last year.

“The biggest news for mobile marketers is, however much you are spending on mobile marketing, you are spending it in the right place, and you should spend even more,” said Karsten Weide, program vice president of media and entertainment at [IDC](#), Framingham, MA.

“Ten years out, mobile will be the default venue for digital marketing in the United States,” he said.

Digital advertising goes mobile

The U.S. mobile advertising spend will grow at a compound annual rate of 47 percent with mobile’s share of digital advertising climbing to 21 percent from six percent by 2016.

IDC forecasts that on a global basis mobile advertising will grow from \$6 billion in 2011 to \$28.8 billion in 2016, at a compound annual growth rate of 37 percent.

As a result, mobile’s share of digital advertising will grow from 6.8 percent to 17.8 percent, at the expense of traditional online advertising.

IDC also forecasts that worldwide business-to-consumer mcommerce will increase from \$80 billion in 2011 to \$554.7 billion in 2016, reflecting an annual compound growth rate of 47 percent.

Again the trend will be more pronounced in the U.S., with B2C mcommerce growing from \$15.2 billion to \$72.8 billion at a growth rate of 43 percent. The share of total B2C spending in the U.S. will grow from 6 percent to 18 percent.

Consumers abandon PCs

In the U.S., consumers have begun to abandon PCs as Internet access gravitates toward mobile devices as the default platform for Internet use. PC use is expected to top out in 2012, with the number of PC users declining in subsequent years.

At the same time, the number of mobile users will grow at a compound annual growth rate of 12.8 percent and will outnumber PC users by 2015.

Western Europe and Japan are about two years behind the U.S. when it comes to using mobile to access the Internet. The trend is being driven by the growing penetration of smartphones and media tablets.

The number of mobile users will grow from 174 million in 2011 to 265 million by 2016. The number of users who access the Internet exclusively through mobile devices will triple from 18 million to 55 million during this same period, reflecting an annual growth rate of 35 percent.

The numbers also suggest that PC's share of many online activities will also decrease. For example, IDC forecasts that the share of users who access social networks such as Facebook on PCs will decline from 66 percent to 52 percent by 2016.

Other Internet activities expected to be affected by the growing use of mobile includes photo sharing, maps and direction and online shopping will decline from 74 percent to 68 percent.

The tablet effect

Last year, 68 percent of mobile advertising spending in the U.S. was for ads that appeared on mobile phones, 23 percent on media tablets and ereaders and 9 percent on other mobile devices such as the iPod touch.

However, IDC expects media tablets – with consumer adoption growing quickly – to have a 41 percent share of mobile advertising spend while 46 percent goes to smartphones and 14 percent to other devices.

While today, half of mobile ad spending goes toward browser-based ads and the other half toward app-based ads, IDC forecasts the app-based share will continue to grow and reach 58 percent share by 2016.

Measuring mobile video beyond the click-through rate

By [Lauren Johnson](#)

November 2, 2012

A recent mobile video from McDonalds

Brands such as Tide, McDonald's and Snickers are steadily incorporating mobile video into their overall initiatives to drive awareness and sales. However, marketers need to be digging deeper into the analytics around their campaigns to gauge success.

Given the immersive qualities of video on a small screen, it is not surprising that mobile video click-through and completion rates are high for the medium. Simply knowing that a consumer watched a video is not indicative of what a consumer did after the clip ended, though.

“Measuring ROI on brand-building campaigns can be done by performing brand studies on mobile audiences both pre and post exposure,” said Nikao Yang, senior vice president of new business development and marketing at [AdColony](#), Los Angeles.

“For campaigns with the goal of driving an action, we measure ROI by looking at top level-engagement metrics like click-throughs but also recommend that our clients look beyond the click and do a deeper dive into granular data like time spent and actions performed on the destination site before exiting the ad experience,” he said.

“Also, with social becoming such an important part of a brand's key performance indicators on campaigns, we actively recommend that brands look beyond the “Like” and actually develop an action plan with CRM tools that can help them activate these mobile consumers who have raised their hands and clicked through to the brand's Facebook page to “Like” the brand.”

Mobile measurement

Mobile video tends to be cut shorter than other video formats to best capture mobile users' short attention spans, meaning that consumers have less time to take an action.

To dig deeper into how consumers react to these short pieces of video content, AdColony recently commissioned a study with Nielsen Co. and Ignited that looked at how consumers responded to an ad for Universal Pictures' film “Contraband” when mobile components were thrown in with a television spot.

The combination of TV, tablet and smartphone mediums resulted in a 72 percent increase in purchase intent in consumers interested in buying tickets for the film.

The study also found a jump in brand recognition. Fifty-five percent of the consumers who only watched the TV ad remembered the ad afterwards. When the was ad shown across TV, smartphone and tablet platforms, 93 percent of consumers remembered seeing the ad, which is a 69 percent increase from the sample group of TV-only consumers ([see story](#)).

Companies across the Internet continually proclaim mobile ads as the next great frontier. Pandora Media ([P](#)), Twitter, and other big names often derive the majority of their revenue from them. On Oct. 23, Facebook's ([FB](#)) stock leapt more than 10 percent on news that the social network earned 14 percent of its third-quarter revenue from mobile ads, up from almost nothing in the first quarter. That mobile advertising should be an enormous business makes sense. After all, our smartphones are always with us, know where we are, and collect far more data about us than a desktop PC. So if mobile has such potential, why are the ads so mediocre?

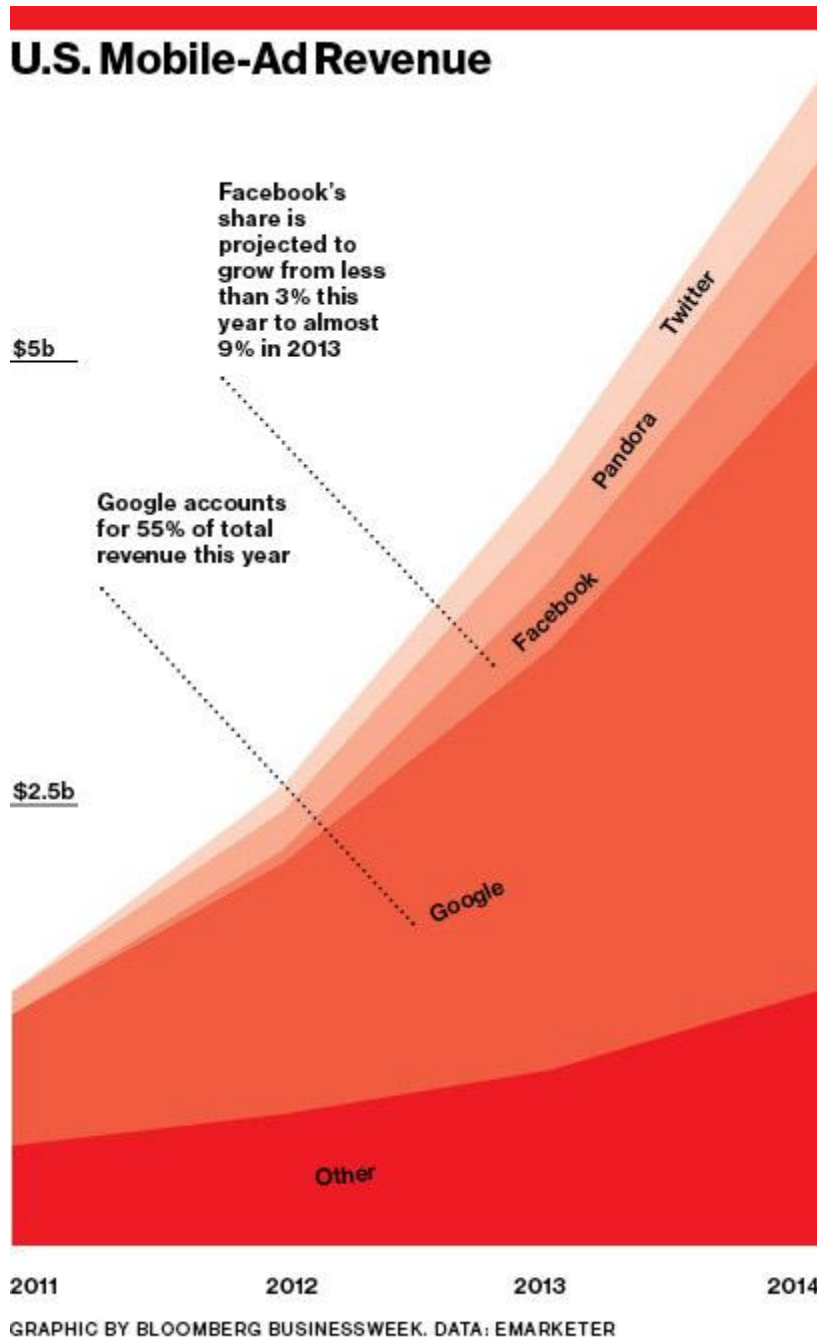
"Most mobile advertising is done as an afterthought," says Eric Picard, chief executive officer of Rare Crowds, an ad technology company. "Immature designers have just sort of slapped banner ads in there." Working with a tiny canvas—a smartphone display—most ads take one of two forms, each with obvious shortcomings. There is the tiny banner ad Picard refers to, which has little room to say anything more than "Click here for something!" and the interstitial, the screen that pops up and interrupts you while you're trying to read something else.

These two simple forms have their roots in other media—only in other media they make a lot more sense. A print advertisement or, for that matter, a Web ad on a computer's large display, is based on the **concept of adjacency**: We tolerate it because it's next to content we want to consume. Television ads work the same way (at least for people without DVRs), but with the added dimension of time. *Modern Family* will be interrupted, sure, but the show's story structure is designed for that, and we'll sit through some commercials because we want to see what's going to happen with Phil Dunphy's next crazy scheme to surprise Claire.

When we encounter a mobile ad, it's disruptive, and not in the positive way that business gurus breathlessly use the word. "When I see an ad pop up on my phone, I get scared," says Al Rotches, a Web ad designer who has worked on Internet campaigns for Barack Obama, Honda Motor ([HMC](#)), and Trojan Brand Condoms ([CHD](#)). "When I'm on my phone, this is my thing," he adds. "I don't want to be tracked, I don't want to be interrupted."

Worldwide mobile-ad spending will reach \$6.4 billion this year and more than \$23.6 billion by 2016, according to researcher EMarketer. Google ([GOOG](#)) is the biggest beneficiary, but even it realizes that banner ads and interstitials aren't going to work on a smartphone. The company has been developing enhanced ad services like **click-to-call buttons**, which allow people to contact an advertiser directly about an offer using the phone in their hand. Its Android devices also can use **Google Now**, a virtual personal assistant that keeps track of your frequently visited locations and repeating calendar

entries and then tries to provide relevant information, such as a traffic report minutes before you head to work. The company hasn't sent out any advertising through this service, but many in the industry expect it will: Besides the traffic, wouldn't you be interested in a coupon for a new breakfast sandwich at that coffee place on your way to the office?



The company's mobile-payment system, Google Wallet, is another way it's moving beyond the standard model. Storing a user's credit-card information does two things: It makes mobile purchases easier, since a person doesn't have to enter payment information on a small device, and it provides a way to follow the money. Without a payment platform, Google and other ad networks have no way to determine whether an ad persuades a user to make an offline purchase. But if you use Google Wallet to pay a florist after Google sent you an ad from that florist, Google can make some conclusions about that ad's efficacy and adjust prices accordingly.

Facebook's rapid mobile-ad expansion has been possible because more than 60 percent of its users access the social networking site on a mobile device. The company attributes its recent growth in mobile ads to what is known in the digital-ad world as "native advertising," or advertising that's integrated with a site's regular content. In Facebook's case, that means ads that appear in a user's news feed, which the company calls a "sponsored story."

"We want to make the ads on Facebook part of the user experience in a seamless way," says Gokul Rajaram, Facebook's product director for advertising. That not only means incorporating ad content into news feeds, but also storing users' credit-card information so they can make purchases with a single click. "On mobile, the need to reduce friction in any transaction is exponentially greater," says Rajaram.

On Facebook, each user can be turned into an ad network. Sponsored stories are first distributed to users who have chosen to be fans of an advertiser's Facebook page. If a fan then likes the ad (often consisting of a coupon or other discount) in a sponsored story, it's distributed to that fan's network of friends, whether they liked the advertiser's page or not. "We're finding that more than 50 percent of all claims of offers come from friends of fans, not fans," says Rajaram, adding that Facebook's research showed people recalled an ad referred by a friend 10 times more often than a typical display ad.

Twitter is also pursuing a native-advertising strategy, in the form of promoted tweets, but custom formats for Facebook and Twitter will not work for the larger world of the Web, meaning that the magic formula for mobile advertising remains elusive—especially for sites that have fewer visitors. "Digital advertising is about getting my message in front of a lot of people at a low cost," says Rare Crowds' Picard. "The more we carve up that inventory, the harder it is to get that message out." Facebook can do sponsored stories, he says, because it has such a large audience. "But not everybody's Facebook."

The bottom line: *Traditional advertising doesn't translate to mobile devices, and companies are still struggling to come up with effective strategies*

A mobile video ad from Scion

"Mobile video advertising is effective for both brand building and driving an action," Mr. Yang said.

“It brings together the best of both worlds — an HD TV viewing experience coupled with the interactivity and actionability of online,” he said.

“Leveraging mobile video for brand building is a great option because of mobile's reach and ubiquity among consumers. At the same time, mobile video is well suited for driving calls-to-action for interaction and engagement.”

Multiple touch points

According to Ujjal Kohli, CEO of [Rhythm NewMedia](#), Mountain View, CA, there are five main measurement metrics around mobile video.

Completion, engagement, context, brand lift and attribution metrics are all important to look at.

Completion and engagement metrics include click-through rate but also pull in other factors including completion rate, frequency distribution and time spent inside an ad unit.

Context metrics answer the question, “How premium is the context around which the ad is running?” Context is key to developing relevant mobile advertising for consumers and can be particularly important for high-class brand advertisers, according to Mr. Kohli.

Brand lift metrics measure factors such as brand recall and preference.

The last type of metric — attribution — measures purchase rates that can be tied directly to an ad. Depending on the brand, this could arguably be the most important metric for retailers and brands that want to tie a mobile video directly to sales.

Therefore, it is key to keep calls-to-action prominent and clear on the ad units.

Victoria's Secret recently used mobile video to drive in-store traffic and online sales

According to research from Rhythm, mobile has a leg up over online as far as completion rates go. The company claims that its mobile video ad unit average an 89 percent completion rate compared to a 68 percent completion rate from online units.

Additionally, tablets are playing a major role in how consumers swap out their TV sets to watch digital video, which has implications for how brands allocate their marketing budgets.

Per Rhythm's newest report from the second quarter of 2012, 58 percent of tablet users watched videos and shows more than once a week on their devices. Eight percent of consumers said that they watched video once a week on their devices, and 22 percent of users watched videos less than once a month on their devices ([see story](#)).

“Any brand that is advertising on TV would be wise to advertise in mobile video as well,” Mr. Kohli said.

“While traditional TV advertising is limited to pure branding, interactive mobile video ads can deliver branding, consumer engagement and sales,” he said.

Tracking users

According to Michael Burke, cofounder and president of [activity by appssavvy](#), New York, brands need to track a user’s every move inside a mobile video ad to get a grip on how campaigns are performing.

“We are breaking up video views by the second to see how many people view it in its entirety, to how many dropped off every second along the way,” Mr. Burke said.

“In looking at these metrics, advertisers can understand which audiences are watching the longest as well as what people are doing when they are most likely to complete the video,” he said.

Additionally, timing is critical to find a way to incorporate a mobile ad in a way that is not intrusive. Therefore, placing a video around contextual content can help marketers drive ROI on their campaigns.

“With mobile it is key that video is not interrupting the experience, but rather complementing it,” Mr. Burke said.

“The call-to-action, such as add to Passbook or calendar, find a movie time or register for an event are all possibilities if they are presented at the time that someone is in the mindset to complete such an activity,” he said.

The Retailer's Guide TO SOLOMO



SoLoMo (Social-Local-Mobile): The addition of local information to search engine results in order to capitalize on the increasing use of mobile. SoLoMo also has evolved to include mobile offers pushed to consumers based on their location.

Millions of people are using smartphones ...



116 MILLION
people own a
smartphone.



89.9 MILLION
American consumers
accessed retail
content on their
devices in July 2012.



Smartphones will
influence **\$159 BILLION**
worth of sales in 2012.

... but mobile conversions weren't exactly
booming in Q2 2012.



1.3%
e-commerce conversions
on **ANDROID PHONES**.



1.0%
e-commerce conversions
on **IPHONES**.

Although smartphone users' retail conversion rates are low, those statistics don't tell the whole story, as mobile devices are heavily influencing purchase decisions in-store and online.

SOCIAL DRIVES TRAFFIC

Smartphone users spend the bulk of their time on social networks, which can drive a lot of retail traffic.



80%
Smartphone users who access
social networking sites on their
devices.



55%
Smartphone users who visit social
networking sites on their devices
at least once per day.

Average minutes smartphone users spend on social networking sites:



LOCAL DRIVES ACTION

Beyond accessing social networks via smartphone, mobile lovers are also using their devices to discover what's nearby, and then making their purchases online or in-store.



96%

Smartphone users
who have researched
a product or service
on their phones.



94%

Smartphone users
who have researched
for local information.



90%

Smartphone users
who acted within
24 hours.



70%

Smartphone users
who called businesses
after searching.



66%

Smartphone users
who visited stores
in person.

Tablet Ads Deliver Results, but Barriers Remain

OCT 18, 2012

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By 2015, more than half of US internet users will use a tablet

Tablet ad campaigns are outperforming mobile norms on key brand metrics, according to a new eMarketer report, “Tablet Advertising: Volume and Engagement Levels Jump Up.” Paid search ads targeting tablets are delivering better results than desktop search.

By the end of this year, eMarketer estimates the number of US tablet users—defined as anyone who uses a tablet at least once a month—will reach nearly 70 million, up from 34 million in 2011. At that point, roughly 30% of internet users will use a tablet at least once a month.

| US Tablet Users and Penetration, 2010-2015 | | | | | | |
|---|-------------------|--------|--------|-------|-------|-------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Tablet users (millions) | 13.0 | 33.7 | 69.6 | 99.0 | 119.3 | 133.5 |
| —% change | - | 158.6% | 106.5% | 42.3% | 20.5% | 11.9% |
| —% of total population | 4.2% | 10.8% | 22.0% | 31.0% | 37.0% | 41.0% |
| —% of internet users | 5.8% | 14.5% | 29.1% | 40.4% | 47.5% | 51.9% |
| Note: individuals of any age who use a tablet at least once per month | | | | | | |
| Source: eMarketer, June 2012 | | | | | | |
| 140848 | www.eMarketer.com | | | | | |

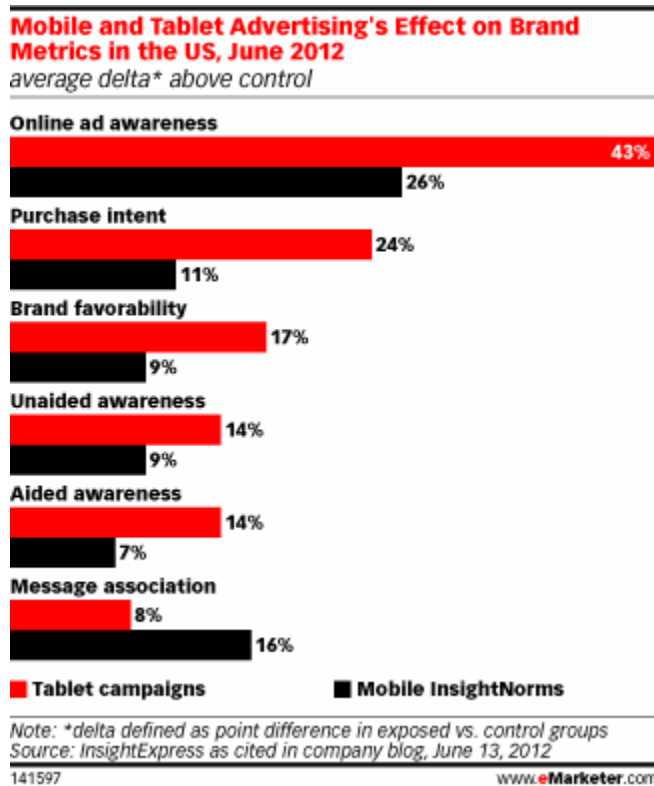
By 2015, over half of internet users will log onto the web via their tablet.

The rapid growth of the tablet media audience has delivered a wealth of opportunity for advertisers. Tablet ads are proving to be more engaging than typical mobile campaigns and, at times, more effective than ads on a PC.

According to [Marin Software](#), a digital ad management platform, the share of paid clicks from tablet devices increased 33% on their platform between Q1 and Q2 of 2012. The Marin study showed those conducting a search on a tablet were 42% more likely to click on ads compared to those searching on a traditional computer.

Data from [InsightExpress](#), a research firm that measures the impact of marketing campaigns on mobile devices, showed tablet display ads delivered better results on nearly every brand metric compared to mobile norms. These conclusions were drawn based on a comparison of results from six tablet campaigns run in 2012 against 240 mobile

campaigns conducted between November 2007 and June 2012. In aggregate, consumers were keenly aware of ads served to their tablet devices and those ads were twice as likely to raise purchase intent as typical mobile ad campaigns.



An analysis of clickthrough rates for display ads served on the [Jumptap](#) mobile ad network showed tablets generated the highest response rates of all mobile devices in the first quarter of the year.

Indeed, the response rates for tablet display ads are eye-catching but so are the cost per thousands (CPMs). Limited supply and high demand are keeping display ad prices at premium levels. “In general, tablet CPMs are 33% to 55% higher than that of mobile because of the larger screen size, more limited reach and high demand,” said Paran Johar, CMO of Jumptap.

While tablets offer significant new opportunity to marketers, some remain hesitant to go all in, as they wait for the number of tablet users to go up and the cost of tablet ad development and buys to go down.

Will Mobile's Massive Growth Ever Equal Real Revenue?

Media Companies Once Lamented That Ads Worth Dollars Offline Were Only Worth Dimes on the Web. It's Even Worse on Mobile

By: [Jason Del Rey](#) Published: [October 01, 2012](#)

Three years ago Andy Wasef, head of mobile and emerging platforms at media agency MEC, sat on a panel exploring how to drive mobile ad growth. He issued a charge to his fellow panelists -- executives at ad agencies, marketing trade groups and publishers: Let's learn from the mistakes of how advertising appears and is measured online and not duplicate them on mobile phones.

So much for that.

"Despite our best efforts, the industry has mostly just followed the online model," said Mr. Wasef. "And so much of what is offered from publishers is really an online replication, but at a poorer level."

Poorer is the key word. If publishers once lamented that offline dollars turned into "digital dimes" as content and audiences moved to the web, here's what might be keeping them up at night: Digital dimes are turning into mobile pennies. The effective cost per thousand impressions on the desktop web is about \$3.50, according to data crunched by Mary Meeker, partner at Silicon Valley venture-capital firm Kleiner Perkins Caufield & Byers. On the mobile internet? A whopping 75¢.

That should be of particular concern to publishers, given the rise in media consumption via mobile devices.

In interviews, media companies from Condé Nast to Gawker Media say visits from mobile phones and tablets have more than doubled in the past 12 months and now account for 20% to 30% of the overall traffic to their content. In many cases, this growth has caught publishers unprepared, with sales staffs often lacking the necessary training or clear strategies to monetize mobile audiences. Some media companies are taking a wait-and-see approach. In a rush to cash in on this shift, others are often relying on what they know best: the banner ad, which is proving to not be much better.

The ad experience on mobile phones is challenging for a number of reasons. The smaller screen sizes make most ads unattractive, privacy settings restrict targeting and short user sessions make providing more than one ad in front of a user nearly impossible. Meanwhile, encouraging readers to pay for mobile content has been an equally tough battle for many media companies. "There's no easy way to push 300 by 50 [pixel] ads and

build big money off of it," said Mandar Shinde, AOL's senior director of mobile and mail monetization.

In general, advertisers haven't specially prepared their messages for mobile and are retrofitting what they know from desktop-web marketing -- with some ugly consequences. As Mr. Wasef and several other media executives noted, one doesn't have to look far to find big brands whose campaigns and ad experiences aren't optimized for the phone. Often they link to broken pages and frustrate users. (On one major mobile publisher's app, this reporter was greeted by an ad for a retailer that sent him to a webpage with an error message; another ad from a popular beauty-products company directed people to a Facebook mobile log-in.) Accidental clicks on touch-screen phones can also add to user frustration.

CANNIBALIZING PRICING

Meanwhile, media companies have inadvertently cannibalized mobile pricing by pawning off ad sales to **mobile ad networks**. **These networks have gotten their hands on mobile-ad inventory much faster than ad networks did with desktop-browser inventory. As a result, they have been able to build high-volume businesses that sell mobile ads for prices below what many top-tier media companies such as NBC Sports believe is fair market value.**

"There's probably no product category that fits mobile on a content basis better than radio because the screen's very little, it goes dark as soon as you turn your head," Clear Channel CEO Bob Pittman says. "But it continues to give me audio so I think we're tailor made for it."

Will 'Useless' Clicks Really Cost Mobile Advertisers \$6 Billion+ by 2016?

by [Annisa Farese](#), September 21, 2012 8 Comments

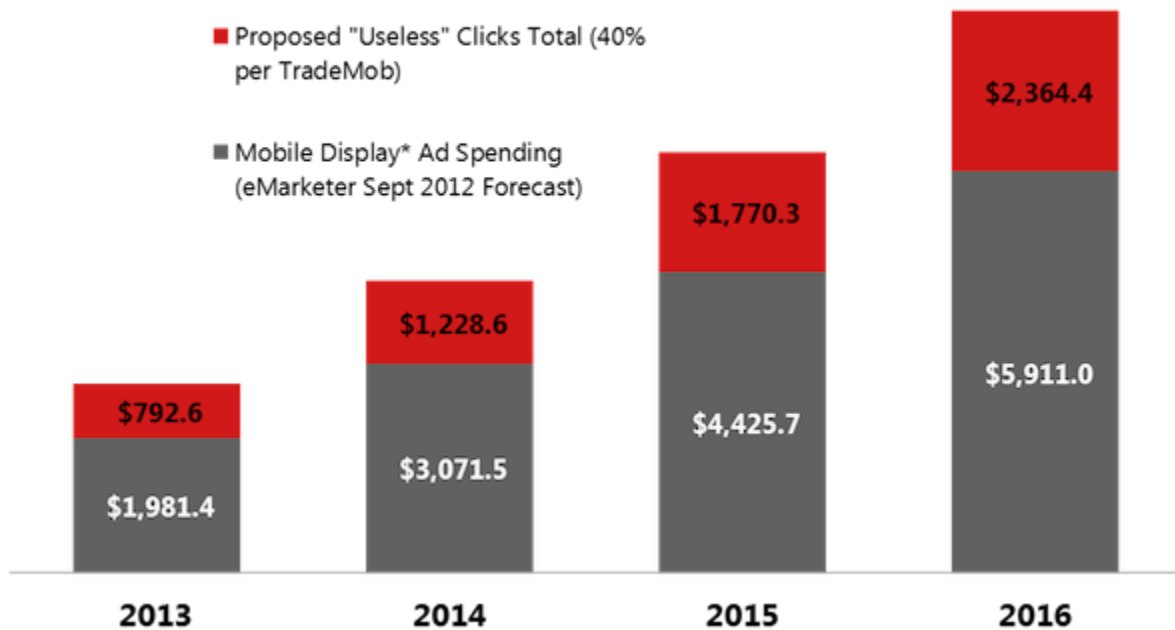
As mobile advertising continues to find its place in the hearts and minds of both consumers and advertisers, the question of ROI remains paramount. So news that a substantial number of mobile ad clicks are in fact "useless" could cause increased hesitation in the marketplace.

A recently released study from mobile app marketing firm, [TradeMob](#), claims that 40 percent of mobile ad clicks are in fact "useless." Their definition of useless combines those suffering from fat finger syndrome (22 percent) as well as fraudulent clicks from botnets or hidden double banners (18 percent).

If we were to apply this TradeMob data to eMarketer's recent mobile ad spending [forecast](#), we're looking at an approximate total of \$6.2 billion wasted by useless clicks by 2016 – that is if both advertisers and ad networks don't utilize and build upon any of the solutions currently available to combat this issue of useless clicks that has migrated to mobile from its origins in desktop.

US Mobile Display Ad Spending Forecast

millions and total proposed cost of "useless" clicks



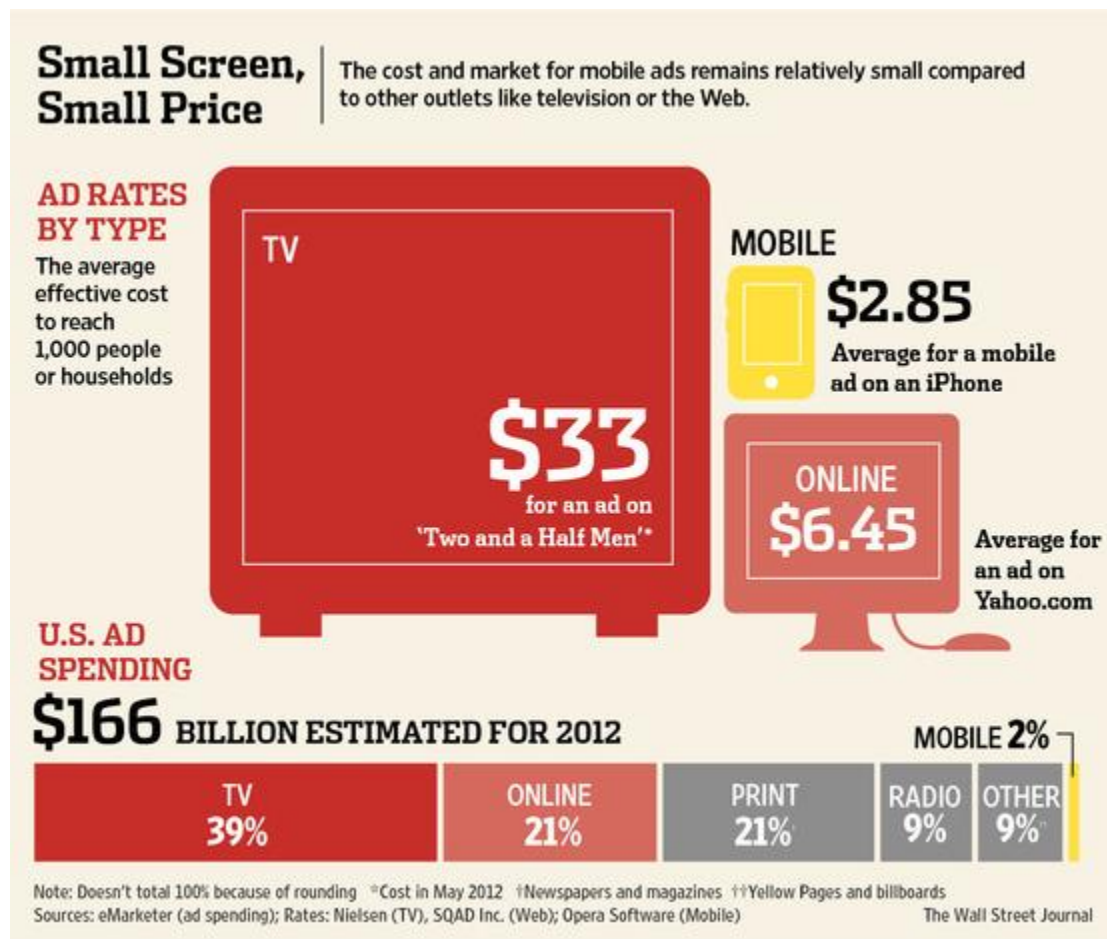
But as with any new technology, the mobile industry still has a long road ahead in calming advertisers' fear of failure.

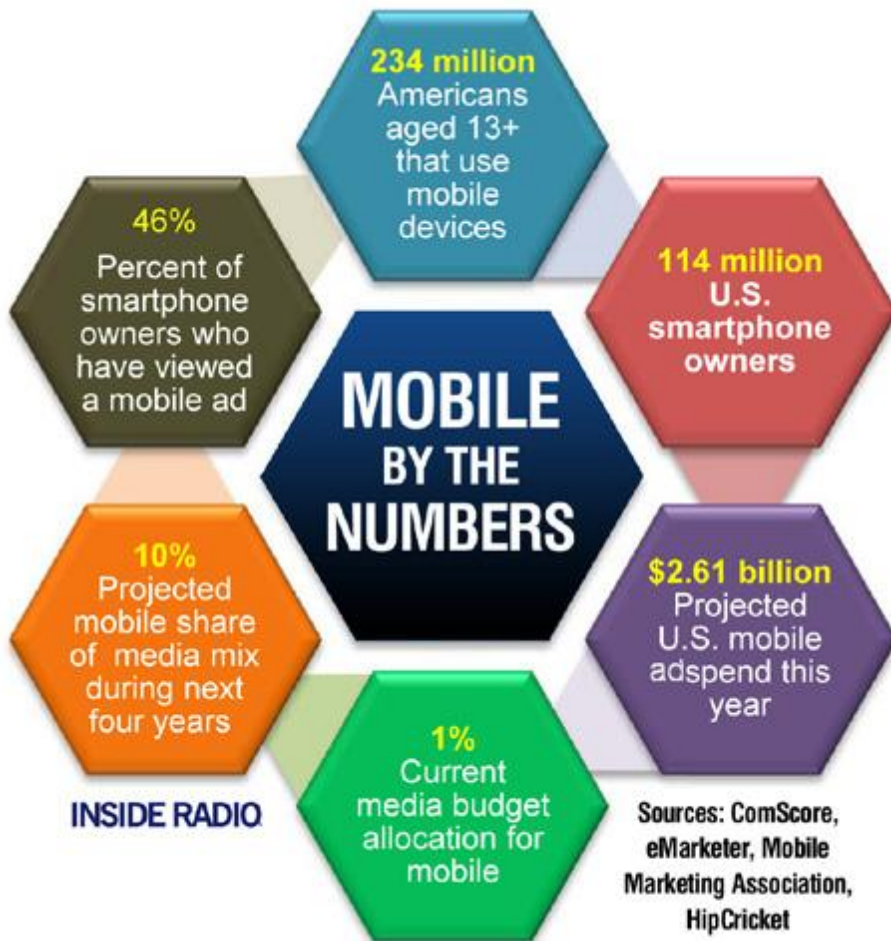
The good news is that a variety of solutions are already available and in place with a number of mobile properties and ad networks.

Functions such as confirmed click – which require a set of two clicks from a mobile ad to first a mobile landing page, then second from a click available on that page – has provided quick, user-friendly relevance to a number of forward thinking advertisers.

Ad networks are also learning alongside advertisers and many have begun the process of re-evaluating the mobile properties they include to ensure their practices exclude any click fraudulence.

But an effective way of combating useless clicks may be found by rethinking industry's pricing models. Networks have begun to offer campaign pricing on cost per engagement, including cost per navigation and cost per call, as the likelihood of paying for accidents within these campaign models is highly unlikely.





Wednesday, Sept. 19, 2012

The New Digital Role in Shopping

According to a new study by **Ryan Partnership**, branded shopping apps are the strongest driver behind unplanned purchases. Branded content on social networks drives people to try new products, and texts and social media are most likely to influence where people shop.

The study finds that consumer usage of digital tools to support shopping has grown tremendously in just 18 months. In 2010, usage of digital shopper tools was more limited to early adopters, while in 2012 the vast majority of shoppers have woven them into multiple points throughout their path to purchase. The RetailNet Group projects that this shift from analog to digitally-influenced shopping will continue for the foreseeable future.

Projected Influence of Digital Tools on Shopping Trips

| Influence | 2011 | 2016 |
|-----------|------|------|
|-----------|------|------|

| | | |
|--|-----|-----|
| Analog | 54% | 36% |
| Digitally influenced | 38 | 53 |
| <i>Source: RetailNet Group, September 2012</i> | | |

“Digital retail,” in the study, is defined as the use of digital communications to engage shoppers along the path-to-purchase and drive incremental sales. Any marketing-related digital interaction that the shopper has in-store would be considered part of the digital retail universe.”

Shoppers' usage of digital retail tools, ranging from store websites and mobile coupons to daily deal sites and QR codes, has doubled or even tripled, depending on the tool, in the previous 18-month period. 96% of the survey respondents said they have used at least one digital shopping tool, with the majority using multiple tools.

The five most heavily used tools were:

- Store websites (64% of respondents)
- Downloadable coupons (61%)
- Search engines (51%)
- Retailer emails (53%)
- Brand websites (49%)

Additional tools mentioned include daily deal sites, brand social media, mobile coupons and shopping apps.

| Digital Tools Used When Shopping Or Planning To Shop (% of Respondents) | | |
|--|-------------|-------------|
| Digital Tool | 2012 | 2010 |
| Store websites | 64% | 28% |
| Downloadable coupons | 61 | 28 |
| Search engines | 59 | |
| Retailer Emails | 53 | 25 |
| Brand sites | 49 | |
| Brand emails | 47 | |
| Daily deal sites | 37 | |
| Reviews/recommendations | 36 | 12 |
| Load to card coupons | 28 | 10 |
| Brand social media | 26 | 12 |
| Retail social media | 23 | |
| Mobile coupons | 18 | 5 |
| Retailer texts | 16 | 5 |
| Shopping apps | 14 | |
| QR codes | 8 | |
| <i>Source: RyanPartnership, September 2012</i> | | |

Kim Finnerty, VP, Consumer and Shopper Insights at Ryan, says "... usage of digital tools during the planning phase of shopping is... virtually ubiquitous..."

The survey of 8,000 primary household shoppers about their usage of various digital retail tools found that shoppers use different tools for different purposes, and which tools impact which behaviors.

- Social Media from retailers is the strongest driver of new brand and product trial. Brands launching new products should feature their new offerings not only in their own social media efforts, but in their retailers' as well.
- Shopping Apps and retailer tools are strongest drivers of unplanned purchasing. It is important for the Brand to be a part of the retailer's digital tools as their traditional tools, opines the report.
- Texts Messages from Retailers and Brands are most likely to influence choice of where to shop.

| Tool Impact on Product Trial (% of Respondents Who Bought Products/Brands Never Before Purchased) | |
|--|------------------------|
| <i>Influence Tool</i> | <i>% Bought</i> |
| QR codes/bar code readers | 22% |
| Shopping apps | 32 |
| Retailer texts | 21 |
| Mobile coupons | 19 |
| Retailer social media | 36 |
| Brand social media | 32 |
| Load-to-card coupons | 20 |
| Reviews/recommendations | 29 |
| Daily deal sites | 26 |
| Brand emails | 26 |
| In-store brand sites | 25 |
| Pre-shop brand sites | 29 |
| Brand sites | 19 |
| Retailer emails | 21 |
| Search engines | 16 |
| Downloadable coupons | 18 |
| In-store retailer sites | 15 |
| Pre-shop retailer sites | 17 |
| Retailer sites | 15 |
| <i>Source: RyanPartnership, September 2012</i> | |

The study points to **shopping apps** and **social media updates** as the tools best poised for near-term growth, because they deliver the strongest combination of shopper utility (such measures as "makes shopping more fun," and "makes me feel like a smart shopper"), and behavioral impact ("I make more unplanned purchases," "I try products or brands I never bought before," "I spend more than I planned").

The impact of digital shopper experiences on the selection of a retailer was quite strong. Interestingly, retailers' own social media updates were the strongest driver of a shopper's selection of a retailer. Although quantifiable ROI data can be challenging to come by,

retailers' recent efforts to scale up their social media following seem to be bearing fruit, notes the report.

| Most Important Tools Influencing Retailer Choice | |
|---|--------------------------------|
| <i>Tool</i> | <i>% of Respondents</i> |
| Retailer social media | 44% |
| Product reviews/recommendations | 42 |
| Pre-shop brand sites | 42 |
| Shopping apps | 40 |
| Pre-shop retailer sites | 37 |
| Retailer emails | 37 |
| Brand social media | 36 |
| Brand emails | 34 |
| <i>Source: RyanPartnership, September 2012</i> | |

Finnerty concludes that "... two years ago, early adopters were the only consumer segment using shopping apps and following retailers' updates on social media... Now, the vast majority of consumers are weaving these digital tools into their path to purchase,..".

For more [information from the Ryan Partnership](#), or for [access to the PPT report](#), please visit here.

Far more Internet users – 50 percent – were aware of Pandora's free ad-supported radio service, and a third of them also knew that Pandora offered a paid subscription service.

Clear Channel's iHeartRadio had 25 percent consumer awareness, followed by Spotify with 19 percent.

Awareness levels aren't proportional with usage rates, however. Half of those who knew about Pandora had actually used it during Q2 2012, while only a quarter of those who had heard of iHeartRadio or Spotify had used them.

Jumptap weeds out fantasy shopping with new approach to mobile ad targeting

To help advertisers figure out when consumers actually intend to purchase a product and when they're just making a wish list of fantasy items, mobile ad network Jumptap's new ad targeting approach links mobile behavior, web behavior and offline data.

The last time you pulled out your smartphone to look up Rolex watches or Rolls-Royce cars (or any other ultra high-end product), was it because you really planned to buy one or because you were just indulging another Mega Millions fantasy?

In the past, it hasn't made much of a difference in how advertisers interested in your mobile behavior used that information to target ads at you. But George Bell, CEO of mobile ad network [Jumptap](#) believes advertisers need to be smarter about separating so-called "impulse" behavior from "intent" behavior, and said his company has a new way to help them do it.

By partnering with thousands of publishers, third-party data providers like [Datalogix](#) and [Acxiom](#), as well as data companies that focus on vertical-specific offline data (such as [Polk](#) for automotive data), Bell said the company is linking consumer behavior on mobile and the web with offline data to give advertisers a more global picture of their activity.

Distinguishing impulse from intent behavior

"Because of the nature of the device — it's always on and always on your person — people use [mobile devices] to express impulse... people tend to fantasy shop," he said, adding that other impulse actions include clicking on ads or content by mistake or out of curiosity. "If you don't have a way to see consumer behavior across screens you're not going to get a full enough picture of the consumer's intent."

From its publisher partners, he said, Jumptap is given hashed (or anonymized) profile information about mobile users—including email addresses—which is then forwarded to the third-party data providers. Those companies query their databases to match mobile information about users to information they might have about their online or offline behavior. The vertically-focused data companies supply additional information to further flesh out consumer profiles.

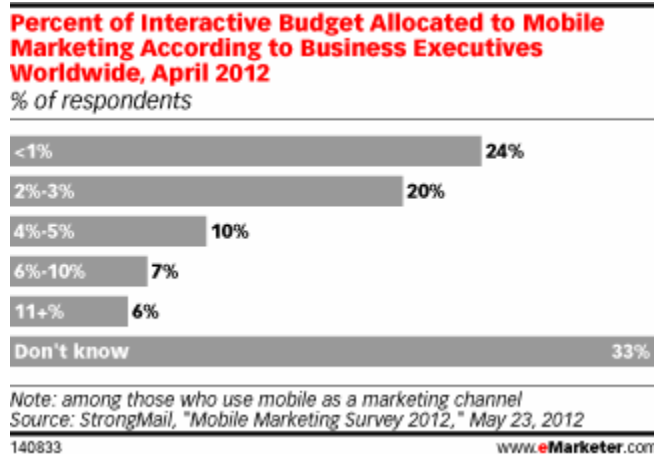
That's a lot of consumer data to piece together, especially for [privacy-minded smartphone and Web users](#) who may not want their personal information shared with outside companies. But Jumptap said it doesn't handle user information until it's anonymized and that it gives mobile consumers tools to learn about the process and opt out. Last month, the company announced that it has [partnered with Evidon](#), the ad tech firm powering the AdChoices icons that lead to privacy notifications, to bring those icons to mobile web and app ads.

Are Marketers Wasting Money on Mobile Ad Clicks?

SEPTEMBER 17, 2012

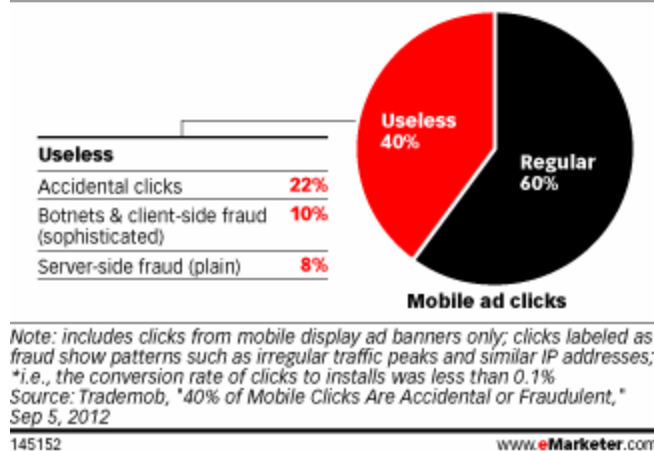
Forty percent of all mobile ad clicks worldwide deemed invalid

As of March 2012, about 10% of all US internet visits came from smartphones and tablets, according to [comScore](#), but mobile advertising budgets lag. Email and cross-channel marketing solutions provider [Strongmail](#) found in April that more than half (54%) of business executives worldwide who invested in mobile spent less than 5% of their total digital dollars on mobile marketing, including advertising.



And June findings from [Trademob](#) offer mobile marketers and advertisers little justification for additional budget, especially for display ads. The app marketing platform found 40% of approximately 6 million mobile display advertising clicks worldwide resulted in wasted dollars for brands.

**Regular vs. Useless* Mobile Ad Clicks Worldwide,
June 2012**
% of total

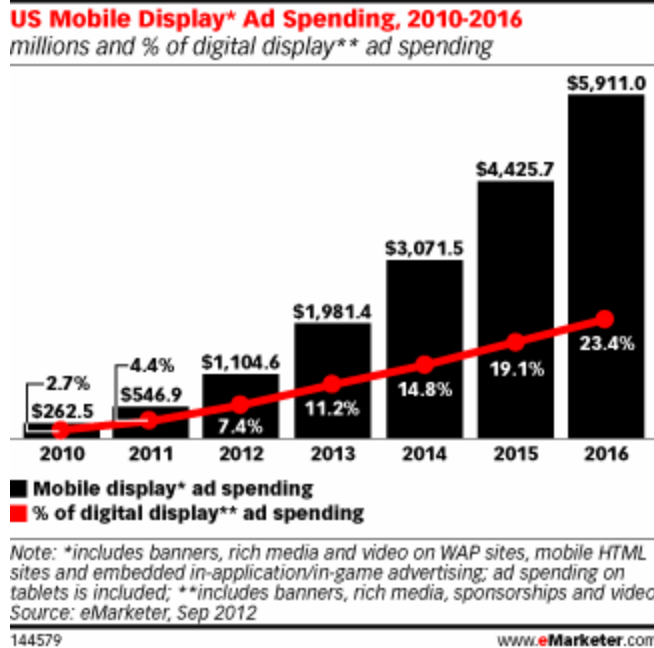


Mobile devices' smaller screens and the imprecision of using one's finger for site navigation were likely contributors to the high rate of accidental clicks (22%). Poorly placed or rendered mobile display ad units may have also played a role.

Click fraud is hardly a new concept to pay-per-click (PPC) marketers, and the same basic types that occur on desktop have migrated to mobile. The study found one in 10 display clicks were from a botnet or client-side fraud. A botnet is a virus that creates a false click count then logged in the advertiser's or site's server.

Unlike a botnet, client-side fraud involves real clicks generated by the publisher with the direct intention of falsely charging a PPC advertiser for clicks that never occurred. This is accomplished either through the use of a click farm or a sneakier method such as hiding one ad behind another and charging both advertisers for the click. An additional 8% of clicks were the result of plain fraud, or the act of sites falsely reporting or logging clicks coming into their servers.

These effects are costly: eMarketer estimates US mobile display ad spending will reach \$1.1 billion this year. By 2016, this will jump to \$5.9 billion.



As mobile display advertising matures, the number of accidental clicks should decrease. Fraudulent clicks should also subside as the industry gets a better handle on how to address mobile-specific challenges.

In the interim, brands should carefully vet mobile inventory providers for reputable publishers and specifics regarding click-quality controls and policies. Brands may also take advantage of ad verification tools and services, many of which offer blacklists of high-risk sites and click-fraud offenders. Ad verification can also allow brands to actively police their own advertising activity to ensure maximum performance and efficiency.

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Check out today's other articles, "[Social Media Proves Value, Gets Budgets](#)" and "[Vietnam Tops Online Video Viewing Penetration in Asia-Pacific.](#)"

REPORT: 40% OF MOBILE ADS ARE A WASTE OF MONEY

9-17-2012

We've heard Pandora CEO Joe Kennedy point out how mobile advertising is booming. And, he's right. According to eMarketer mobile advertising will jump to \$5.9 billion by 2016. However, using the hottest or

latest trend, (mobile advertising) doesn't always mean advertisers will get a great return on their investment. In fact, eMarketer has discovered it may be quite the opposite as 40% of all mobile ad clicks worldwide are deemed invalid.

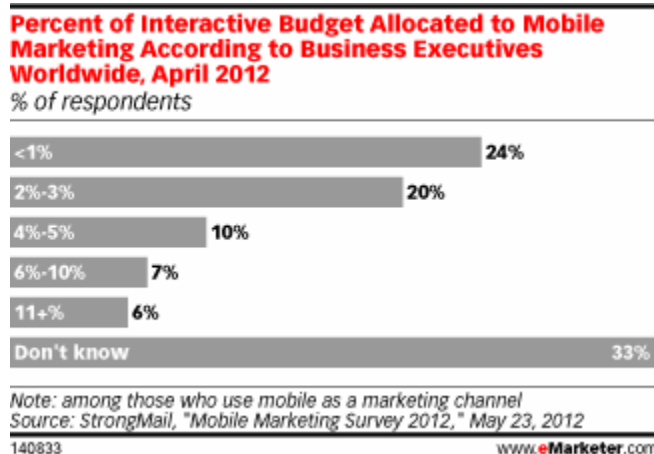
eMarkter reports 6 million mobile display advertising clicks worldwide resulted in wasted dollars for brands. "Mobile devices' smaller screens and the imprecision of using one's finger for site navigation were likely contributors to the high rate of accidental clicks (22%). Poorly placed or rendered mobile display ad units may have also played a role. Click fraud is hardly a new concept to pay-per-click (PPC) marketers, and the same basic types that occur on desktop have migrated to mobile. The study found one in 10 display clicks were from a botnet or client-side fraud. A botnet is a virus that creates a false click count then logged in the advertiser's or site's server."

Are Marketers Wasting Money on Mobile Ad Clicks?

SEPTEMBER 17, 2012

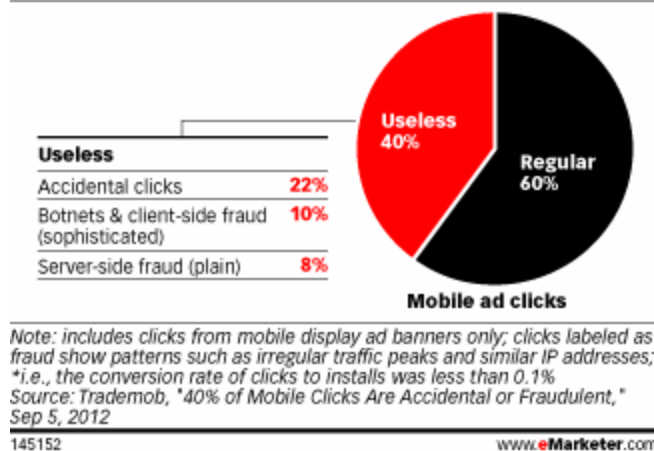
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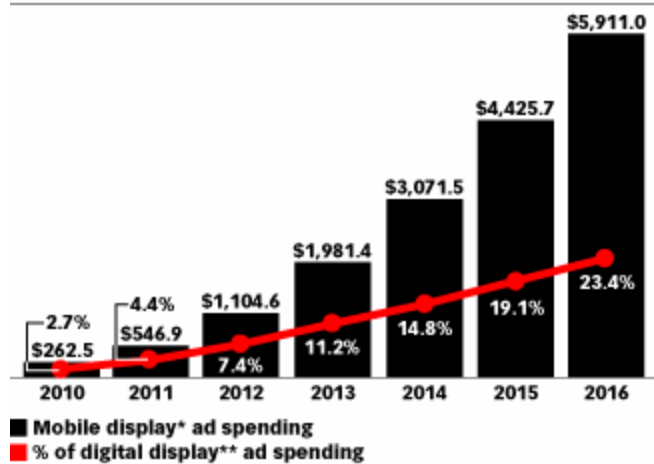
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US Mobile Display* Ad Spending, 2010-2016
 millions and % of digital display** ad spending



Note: *includes banners, rich media and video on WAP sites, mobile HTML sites and embedded in-application/in-game advertising; ad spending on tablets is included; **includes banners, rich media, sponsorships and video
 Source: eMarketer, Sep 2012

144579

www.eMarketer.com

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Mobile Ad Click-Throughs Rise As Users Get Closer

[James Dohnert](#) | September 14, 2012

•

Mobile ad click-through rates rise 1.48 times higher than the average rate when users get within one-to-two miles away from a business, according to new study.

The YP study shows that the sweet spot for mobile CTRs is between one and two miles. The firm's statistics say ad CTRs consistently rise as get closer an establishment. When they're between two and five miles away, CTRs rise 1.26 times. They hit 1.48 times between one and two miles away. However, when they get closer than one mile, CTRs drop off slightly to 1.4 times.

"In general, the closer users are to a business the more likely they are to engage and click on a banner. However, there is an interesting 'sweet spot' at 1-2 miles that yields the highest consumer engagement," YP said in its third quarter Local Insights Report.

YP is a local publisher and ad network that releases its Local Insights Report each quarter. The report examines trends in local search and mobile advertising through its local mobile display network which targets locally relevant apps and mobile websites with banner ads focused on local businesses.

YP's report sheds light on GPS targeted ad impressions. The company says in-app ads accounted for a big chunk of impressions - 60 percent - of its local mobile display network. Mobile web ads accounted for 40 percent of ad impressions, according to the study.

The study also shows that CTRs are higher in iOS app ads than for Android app ads. Ads in iOS apps see nearly 47 percent higher CTR than those in Android apps.

YP also points out that iPad ad CTRs are 9 percent higher than those of iPhone ads. "iPad ads make up a small but rapidly growing percentage of impressions," notes the study.

Healthcare, reference, and multimedia apps yielded the highest amounts of mobile CTRs compared to other types measured. Communications and sports apps, meanwhile, received the lowest. Surprisingly however, mobile communication applications generate the highest amount of post-click engagement. As many as 33 percent of all mobile communication application users made a click on the landing page after they clicked on the mobile ad that led them there.

The YP study aggregated 1.5 billion monthly geotargeted ads for the study. The YP Local Mobile Display Network reaches 11 million mobile unique visitors per month

Smartphone Ads and Their Drawbacks

By RANDALL STROSS

Published: September 15, 2012

AT two inches wide and one-third of an inch tall, a display ad shown on a smartphone isn't much of a canvas for a creative marketer seeking to promote a product or service.

[Enlarge This Image](#)

Johanna Goodman

That's one reason smartphones are not working well as a medium for many advertisers. *The evidence is telling: advertisers are willing to pay much more to reach a thousand pairs of eyes gazing upon a computer or tablet than a thousand pairs looking at a smartphone screen.*

"Size absolutely does matter," says Christine Chen, director of communication strategy at [Goodby Silverstein & Partners](#), an ad agency in San Francisco. "If you look at the real estate available on a smartphone, it's really sad compared to not just banner ads on the Web, but also to TV, print and outdoor advertising."

Size isn't the only problem. *Advertisers are also limited by what they can find out about smartphone users. It's not technically possible to use cookies with smartphone apps the way it is with a browser.* On the Web, publishers typically record users' actions so that advertisers can make an educated guess about a user's identity and interests.

"What makes Web ads so attractive to advertisers is the ability to track actions and optimize accordingly," Ms. Chen says. Because a smartphone cannot use the same technology, she says, "your ability to track and optimize is much more blunt, or in some cases nonexistent."

These limitations depress demand for smartphone ads and lead to low prices. A banner ad on a Web page that costs \$3 to \$5 for every thousand impressions may cost only 75 cents or \$1 for a thousand impressions on a smartphone, Ms. Chen says.

Another reason advertisers don't value smartphone ads highly is that users tend to lack a receptive mind-set when using their phones. "It's an activity you do for a short burst of time," Ms. Chen says. "It's very functional." That is not a good time to try to make users stop what they are doing and give their attention to an advertiser's message.

Ms. Chen says she tells her firm's clients not to bother advertising on smartphones.

Jeff Lanctot, global chief media officer at [Razorfish](#), says context is much more important on smartphones than on larger devices. "Requesting a marketing-related action while looking at wedding photos would be considered intrusive," he says, "but while playing a game, it might feel very natural."

Mark Himmelsbach, director of digital strategy at [BBDO North America](#), sees some potential uses for cell phones as an advertising medium, but he says most marketers take care to limit the size of ads on phones "so as not to irritate people."

"Mobile ads are relegated to a tiny portion of the screen and are often invisible or ignored by consumers," Mr. Himmelsbach says.

Phones do have some benefits, like the ability to serve up ads based on location or to integrate advertising into apps that are used for something else, he says. But of all the possible options, he says, "mobile display ads give us the least amount of creative opportunity."

Location-based mobile advertising, known as geofencing, is directed only at nearby prospects, and it has proved to work well, says Doug Ray, president of [Carat North America](#), a media planning and buying firm. "Knowing where you are geographically and delivering a contextually relevant offer has been effective in driving conversions and sales," he says. "Geofencing is not possible with a desktop PC."

Consumers, however, don't necessarily want to be reminded that their phones are location-tracking devices for advertisers. "A mobile device is one of the most personal forms of technology we have," Ms. Chen says. Location tracking is perfectly legal but apps ask users' permission during installation.

Using the Web on a desktop, laptop, or even a tablet, isn't likely to feel as tightly bound to our personal selves. Much Web content is mass media, broad in reach, and that's good for the advertising business because users do not treat the accompanying ads as an intrusion into their personal space.

"Media consumption is less personal than, say, a Facebook page, a text message or a phone conversation," says Mr. Lanctot of Razorfish, "and so historically is better suited to be ad-supported."

MR. LANCTOT mentions three companies that are doing well with mobile advertising: Pandora, Twitter and Foursquare. But each of these is fortunate to be in a business where it doesn't have to contend with "banner blindness" among users.

Pandora inserts audio commercials into its music stream, Twitter puts sponsored ads into tweet streams and Foursquare lets advertisers try out geofencing.

"The advertising on all three is a very natural part of the user experience," Mr. Lanctot says. "It's not intrusive."

What doesn't make his list is the smartphone's minuscule display ad. Digital advertisers working with smartphones must somehow make their ads large enough to be noticed, but not so large as to be an interruption. And they must be chosen to match a user's interests, but not so closely as to induce a shiver

Display Ads' Dubious In-View Performance

SEPTEMBER 7, 2012

Inventory bought via networks, exchanges most at risk

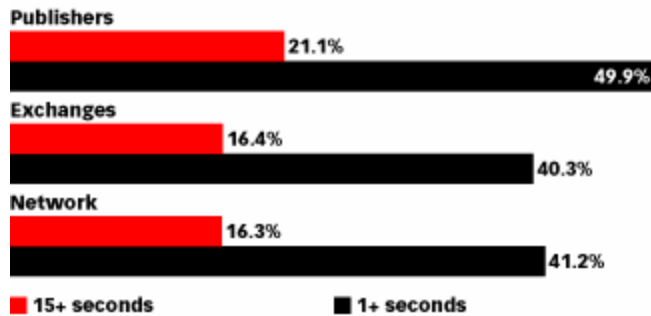
Are media buyers really spending half of their display ad budgets on wasted impressions?

According to second quarter findings from [AdSafe Media](#), perhaps. *The ad verification service provider found that less than half of the ads worldwide purchased on ad exchanges, networks and publisher sites that passed through its system were in-view.*

Ads bought direct from publisher sites were in view the greatest percentage of the time. *AdSafe Media defined in-view impressions as any impression that had 50% or more of the ad unit visible for one second or more.* Note that after 15 seconds, just 21.1% of all publisher impressions were considered in view, compared to about 16% of ad network and exchange-purchased inventory.

Cumulative Time that Digital Display Ads Worldwide Are In-View, by Platform, Q2 2012

% of total



Note: read as 41.2% of display ads on networks are in view for 1 second or more; includes impressions served to desktops, laptops, mobile devices and tablets

Source: AdSafe Media, "2012 AdSafe Semiannual Review," Aug 28, 2012

144839

www.eMarketer.com

Like [similar studies](#) before it, AdSafe Media found select ad unit sizes were more visible than others. The most vertical ad units, wide skyscrapers (160 x 600), saw the greatest number of in-view impressions, followed by the common medium rectangle (250 x 300) and finally, leaderboards (728 x 90).

Digital Display Ads Worldwide that Are In-View, by Creative Size and Platform, Q2 2012

% of total

| | 728x90 | 300x250 | 160x600 |
|--------------|--------------|--------------|--------------|
| Publishers | 44.1% | 51.7% | 68.1% |
| Network | 36.2% | 37.7% | 54.0% |
| Exchanges | 35.4% | 37.8% | 51.9% |
| Total | 36.1% | 38.4% | 53.1% |

Note: includes impressions served to desktops, laptops, mobile devices and tablets

Source: AdSafe Media, "2012 AdSafe Semiannual Review," Aug 28, 2012

144840

www.eMarketer.com

These in-view percentages were lower than [comScore](#)'s December 2011 data that showed leaderboards, medium rectangles and wide skyscrapers in view 74%, 69% and 66% of the time, respectively.

Publisher size could account for some of the discrepancy. comScore noted 77% of US display ads served on the top 50 sites were in view compared to 61% of ads served on the remaining 501+ sites, which are common sources of inventory on ad networks and exchanges.

Purchasing inventory via these sources also proved a less brand-safe investment than buying direct from publisher sites. In Q2 2012, ad networks saw the greatest share of moderate-to-very-high ad risk (7.3%) compared to ad exchanges (5.9%) and publisher sites (5.4%). Brand risk included ad placements alongside content portraying drugs, alcohol, profanity and adult content.

Digital Display Ads that Are Served Alongside Moderate- to High-Risk Sites* Worldwide, by Platform, Q1 & Q2 2012

% of total

| | Publishers | | Platforms/ exchanges | | Networks | |
|-----------|------------|---------|-------------------------|---------|----------|---------|
| | Q1 2012 | Q2 2012 | Q1 2012 | Q2 2012 | Q1 2012 | Q2 2012 |
| Very high | 1.8% | 1.9% | 3.4% | 2.5% | 3.6% | 2.8% |
| High | 0.3% | 0.4% | 0.2% | 0.4% | 0.2% | 0.3% |
| Moderate | 2.8% | 3.1% | 2.2% | 3.0% | 2.5% | 4.2% |

Note: includes impressions served to desktops, laptops, mobile devices and tablets; *with regard to brand safety

Source: AdSafe Media, "2012 AdSafe Semiannual Review," Aug 28, 2012

144883

www.eMarketer.com

The study also showed about 6-7% of all ads bought from ad networks, publishers and exchanges were served alongside a brand's other display ads, resulting in multiple ads per page. AdSafe Media estimated such duplication could cost brands as much as \$70,000 on a \$1 million ad buy.

Though more programmatic forms of display ad buying typically done across ad exchanges and networks offer advertisers greater cost-efficiency and audience targeting precision, brands must be careful to ensure the ads they buy are in fact resulting in viewable, valuable impressions.

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[Report: 40 percent of mobile ad clicks are fraud or accidents](#)

- By [Ryan Kim](#)

A study by mobile app marketing platform Trademob found that 40 percent of mobile clicks on ads are essentially useless, the result of accidental presses or fraud. That's one of the challenges facing mobile advertising, which is still lagging online advertising.

Wonder why [mobile monetization is still lagging](#) as Kleiner Perkins partner Mary Meeker helpfully pointed out earlier this year? Well, one reason may be that many of the clicks on mobile ads are useless, the product of an increasing amount of fraud as well as a lot of inadvertent actions, said Trademob, a German mobile app marketing platform.

The company, which is in the midst of [opening offices in San Francisco and New York](#), shared some new research with GigaOM, finding that 40 percent of clicks are essentially worthless, creating a conversion rate to install an app from an app store of less than 0.1

percent. **Trademob found that 22 percent of clicks are accidental, while 18 percent are fraudulent.** That could be one thing holding back mobile advertising as some advertisers question how effective their spend is on mobile.

Trademob — which aggregates more than 100 mobile ad networks and offers post-download conversion tracking to measure advertising efficiency — **studied 6 million clicks around the world over six weeks earlier this summer.** Click fraud appears to be a growing issue, repeating some of the problems that online advertisers had to deal with, Alexander Franke, COO of Trademob told me in an phone interview. **He said mobile click fraud, which represented about 10 percent of clicks at the start of the year, falls into two main categories: server side and botnets/client side.**



Franke said 8 percent of clicks are created by an app publisher who uses a server to register false clicks. A more sophisticated problem is when someone deploys botnets on a number of hijacked devices to manipulate mobile click data. And in some cases, fraudsters hide one banner ad behind another getting credit for both clicks. These two methods account for 10 percent of useless clicks, said Franke.

Trademob uses its tracking software to analyze the header data and IP addresses from clicks to identify suspicious clusters of activity. That can identify server-side fraud when the clicks come from the same IP addresses. For more sophisticated fraud, Trademob can identify when fraudsters generate clicks that don't match the original campaign targeting settings. For example, Trademob will notice when a mobile ad campaign targeting iPhone users in western Europe, suddenly sees a lot of clicks from hijacked Android phones in India. Trademob puts these publishers on a blacklist and won't advertise on them.

Accidental clicks are actually a bigger problem than fraud, but the rate of accidental clicks appears to be falling. **Pontiflex ran its own survey with Harris Interactive last year and found that 47 percent of app users said they were more apt to click a mobile ad by mistake than on purpose.** It's not a straight comparison but Franke

believes that accidental clicks are going down, in part due to larger screen devices which lower the potential for mis-navigation.

But it's not just fat fingers. Many shady publishers intentionally place big banner ads next to small buttons to induce accidental clicks, said Franke. Using its tracking technology, Trademob is able to identify the persistent bad publishers who yield extremely low conversions after the click and add them to its blacklist.

These numbers are all generated by Trademob, who stands to gain by the awareness of useless mobile clicks. The company, which was founded in 2010 with funding from German VCs Tengelmann Ventures and High Tech Gründerfonds, has made its tracking tools one of its major selling points to customers. But Franke said Trademob has the best data around mobile clicks because of its sophisticated post-click analytics.

The figures, if true, help explain some of the lingering challenges for advertising. With mobile usage exploding, there's a growing opportunity for ethically questionable people to recreate click fraud methods on mobile, where defensive measures are less mature. This may add to the concerns of advertisers, who are still figuring out how much they want to spend on mobile. That can ultimately hurt legitimate mobile publishers and developers who are leaning on ad support to pay the bills.

- ***Subscriber Content***

Are your customers hot or not?

Experian surveyed 2,000 British consumers online on their attitudes to sharing information about themselves across channels. Respondents were then ranked on a scale of Hot – selecting multiple channels on which they share information with brands – to Cold – where respondents were reluctant to share data across any channel, to build up a picture of data heat. The more channels consumers share information across, the greater the potential to link this data and the hotter they become in marketing terms.

Data Heat...



HOT

channels likely to share: 3 to 5
% of population: 8%
dominant age: 18 to 24
selecting social channel: 53%
trust brands with data: 67%



WARM

channels likely to share: 2
% of population: 19%
dominant age: 18 to 24
selecting social channel: 16%
trust brands with data: 64%



COOL

channels likely to share: 1
% of population: 55%
dominant age: 45 to 54
selecting social channel: 5%
trust brands with data: 50%



COLD

channels likely to share: 0
% of population: 18%
dominant age: 55+
selecting social channel: 0%
trust brands with data: 25%

Of the hot group...



99%

share their email address



49%

will link through Facebook



80%

believe sharing data will get them more relevant offers



56%

share their mobile numbers

Trust...



of 18-24 year olds trust brands with their data

45 to 54

year olds are the least trusting when it comes to sharing data

Profiling by age...

18 to 24 year olds



are 3 times more likely to ask to be contacted by Twitter



are twice as likely to share information than the national average

18 to 24 year olds



least likely to complete customer surveys

35 to 44 year olds



are most likely to share their phone numbers



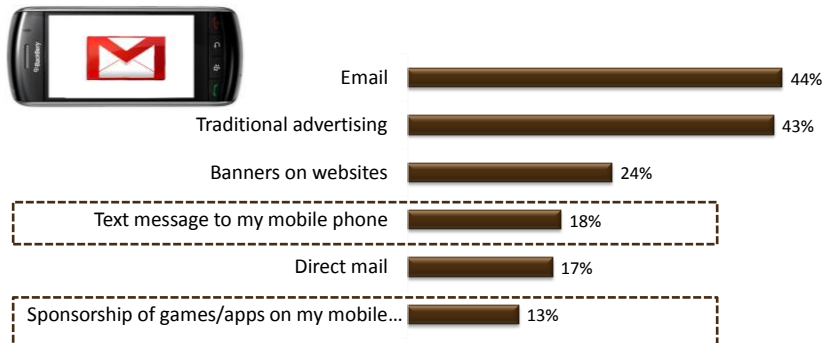
are more likely to respond to marketing emails

Men are from Mars...



Mobile Users Prefer to Hear from Brands Through Traditional Modes

Preferred method of brand communication



G16. If a brand were to communicate about a product, in what ways would you prefer to hear about it?

Re:think 2012 THE ADVERTISING RESEARCH FOUNDATION Annual Convention + Insights Zone

ADVERTISING RESEARCH FOUNDATION

#rethink12

Mobile: Connection, Convergence & Navigation



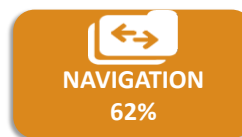
CONNECT

Email
Social networking
Talking
Text messaging



ENTERTAIN

Listening to music or books
Watching TV or videos
Downloading apps
Blogging
Gaming
Reading



INFORM

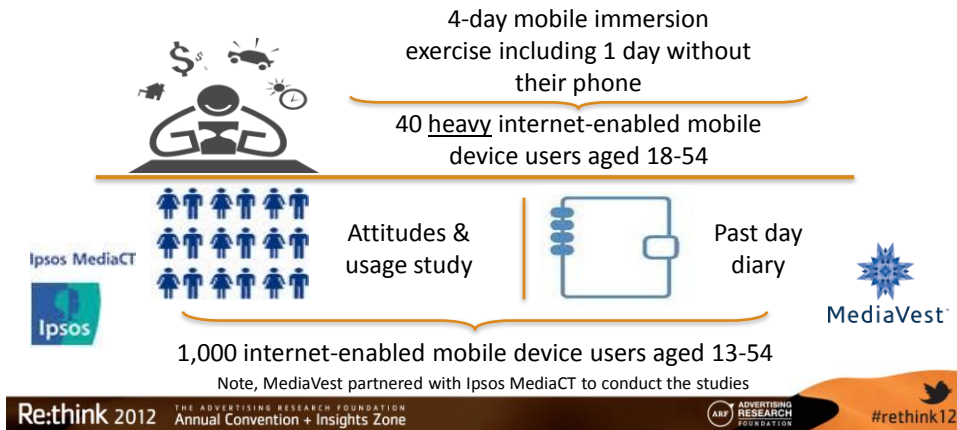
Browsing
Researching
General information
Product/Store information
Making an online purchase
Getting directions/maps or using GPS
Managing finances, fitness, calendar

Re:think 2012 THE ADVERTISING RESEARCH FOUNDATION Annual Convention + Insights Zone

ADVERTISING RESEARCH FOUNDATION

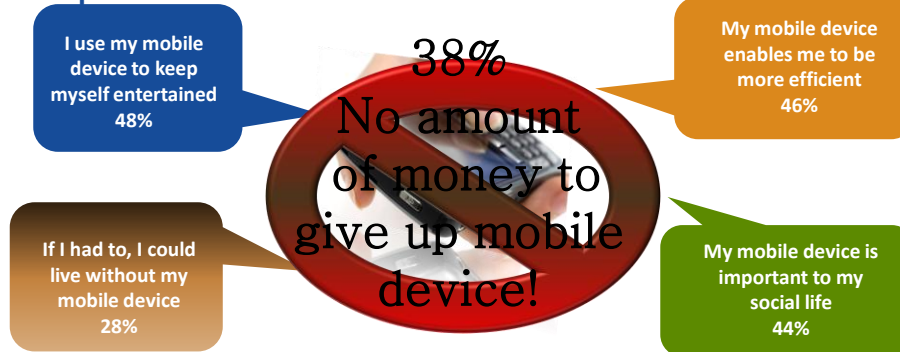
#rethink12

We Took Control Away



Mobile Devices Meet Many Needs - Few Could Live Without It

Top attitudes toward mobile device and use



G18. Please indicate how well each statement below describes your attitudes toward mobile devices and how you use them. (Top Two Box)
 G19. How much money would it take to get you to only use your mobile phone for calls or texting and nothing else for one week?



Mobile Advertising Spends to Grow by 500% till 2016



Mobile Advertising

By: Sahil Shah

September 4, 2012, 5:47 am UTC



The world of communication is shifting from TV to computers and now computers to mobile phones. All of it is being topped by the Internet that keeps people connected and indulges them with a dialogue. Engagement is given "the" preference by marketers of today's era where consumer is being targeted with a brand message. Mobile, being the biggest technological revolution in the history of mankind is evolving fast with its great adoption. One of the biggest reason why marketers are going after advertising on mobile is that over 5.6 billion out of 7.01 billion people are on mobile. This is about **79.86% of people in the world having access to a mobile phone.**

A recent study/forecast by e-marketer on Mobile Advertising spends is a justification to the kind growth mobile is seeing in the world. It states that mobile advertising spends will grow by a **300% in the next four years** from a current spend of 6439.7 million to 23,640.2 million U.S. Dollars. The most interesting part is that all regions in the world form some part of the growth which is remarkable.

Mobile Ad Spending Worldwide, by Region and Country, 2011-2016

millions

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| Asia-Pacific | \$1,883.0 | \$2,560.9 | \$3,190.9 | \$3,937.5 | \$4,528.2 | \$5,094.2 |
| —Japan | \$1,368.1 | \$1,740.2 | \$2,027.3 | \$2,331.4 | \$2,520.2 | \$2,671.5 |
| —South Korea | \$322.0 | \$450.8 | \$543.2 | \$624.7 | \$694.0 | \$763.4 |
| —China* | \$108.5 | \$195.6 | \$313.5 | \$483.1 | \$631.8 | \$780.3 |
| —Australia | \$44.0 | \$72.8 | \$99.6 | \$131.5 | \$161.7 | \$186.0 |
| —India | \$4.7 | \$9.9 | \$18.9 | \$35.5 | \$63.9 | \$101.5 |
| —Indonesia | \$2.8 | \$8.1 | \$23.1 | \$44.0 | \$70.2 | \$104.3 |
| —Other | \$32.9 | \$83.5 | \$165.2 | \$287.3 | \$386.1 | \$487.2 |
| North America | \$1,228.3 | \$2,402.6 | \$4,143.9 | \$6,376.8 | \$8,710.5 | \$11,029.6 |
| —US | \$1,166.4 | \$2,292.7 | \$3,955.3 | \$6,075.1 | \$8,227.2 | \$10,338.1 |
| —Canada | \$62.0 | \$109.9 | \$188.6 | \$301.7 | \$483.3 | \$691.4 |
| Western Europe | \$775.5 | \$1,305.2 | \$2,088.3 | \$3,195.0 | \$4,760.6 | \$6,679.1 |
| —UK | \$327.7 | \$558.1 | \$892.1 | \$1,405.0 | \$2,160.0 | \$3,030.4 |
| —Germany | \$121.8 | \$225.0 | \$378.2 | \$612.8 | \$952.1 | \$1,392.9 |
| —France | \$94.3 | \$140.3 | \$214.6 | \$319.9 | \$452.1 | \$626.1 |
| —Italy | \$67.9 | \$112.9 | \$181.7 | \$273.1 | \$394.8 | \$509.3 |
| —Spain | \$37.5 | \$61.5 | \$97.2 | \$150.0 | \$223.6 | \$324.9 |
| —Other | \$126.2 | \$207.3 | \$324.5 | \$434.3 | \$578.0 | \$795.4 |
| Eastern Europe | \$62.6 | \$121.1 | \$201.2 | \$278.9 | \$362.6 | \$449.6 |
| —Russia | \$20.0 | \$37.0 | \$53.9 | \$77.3 | \$111.2 | \$157.5 |
| —Other | \$42.6 | \$84.1 | \$147.4 | \$201.7 | \$251.4 | \$292.1 |
| Latin America | \$24.4 | \$46.9 | \$86.8 | \$170.1 | \$269.0 | \$374.0 |
| —Brazil | \$12.9 | \$24.6 | \$44.4 | \$85.2 | \$141.4 | \$198.3 |
| —Argentina | \$6.4 | \$11.0 | \$18.1 | \$32.7 | \$51.0 | \$70.4 |
| —Mexico | \$1.3 | \$3.3 | \$9.2 | \$22.1 | \$31.4 | \$43.5 |
| —Other | \$3.8 | \$8.0 | \$15.0 | \$30.0 | \$45.2 | \$61.8 |
| Middle East & Africa | \$1.8 | \$3.1 | \$4.7 | \$7.6 | \$10.5 | \$13.8 |
| Worldwide | \$3,975.6 | \$6,439.7 | \$9,715.7 | \$13,965.9 | \$18,641.4 | \$23,640.2 |

Note: includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets; numbers may not add up to total due to rounding; *excludes Hong Kong

Source: eMarketer, July 2012

Statistics for the current year suggest that spending on mobile internet advertising in the US will top all other countries in the world for the first time by this year end, helping drive mobile ad spending worldwide to \$6.43 billion in

2012. Before this year, Japan was the world's largest market for mobile advertising, with spending reaching \$1.36 billion in 2011, up from \$1.01 billion in 2010.

Spends in the US will grow by 96.6% to \$2.29 billion in 2012, up from \$1.16 billion last year. North America is also expected to surpass Asia-Pacific in 2013 as the world's largest regional market for mobile advertising. In spite of that, Asia-Pacific is still an exceptionally strong mobile advertising market, particularly in South Korea and Japan, keeping it far ahead of Europe in mobile spending. Mobile ad spending in Asia-Pacific will reach \$2.56 billion in 2012, in Western Europe and Eastern Europe it will reach \$1.3 billion and \$121.1 million, respectively, this year.

To debate the point of mobile's competition against TV, Print or Internet, **eMarketer says**, "Mobile is an exciting, fast-growing category, but it's still a very small piece of the overall ad pie. Mobile advertising accounted for less than 1% of total ad spending worldwide last year—and it will be a long time before it challenges other mainstay global advertising channels like TV, print and internet ads."

Here are some region wise excerpts from the table below that depicts the current and predicted growth in spends:

- Spends in Asia Pacific region is going to grow by 170% by 2016 where Japan is going to comprise of more than 50% of the total spends.
- North America will grow by close to 800% by 2016 which is going to contribute to almost 46% of the total advertising spends in the world
- Western Europe will also grow by 760% till 2016 but the volume of spends is almost half of spends by North America. On the other hand Eastern Europe will also grow at a good rate of 617%
- Other regions like Latin America as well as Middle East & Africa are also expected to grow but the volume is fairly less.

Mobile Ad Spending Growth Worldwide, by Region and Country, 2010-2016

% change

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| North America | 175.9% | 123.2% | 95.6% | 72.5% | 53.9% | 36.6% | 26.6% |
| —US | 175.5% | 126.2% | 96.6% | 72.5% | 53.6% | 35.4% | 25.7% |
| —Canada | 182.5% | 79.6% | 77.3% | 71.6% | 59.9% | 60.2% | 43.1% |
| Eastern Europe | 183.9% | 115.0% | 93.5% | 66.2% | 38.6% | 30.0% | 24.0% |
| —Russia | 100.0% | 66.7% | 85.0% | 45.5% | 43.5% | 43.9% | 41.7% |
| —Other | 302.5% | 148.9% | 97.5% | 75.3% | 36.8% | 24.7% | 16.2% |
| Latin America | 85.8% | 115.3% | 92.2% | 85.0% | 96.0% | 58.2% | 39.0% |
| —Mexico | 76.6% | 115.3% | 145.0% | 181.2% | 140.2% | 41.8% | 38.7% |
| —Brazil | 100.0% | 140.2% | 90.4% | 80.5% | 92.0% | 66.0% | 40.2% |
| —Argentina | 58.5% | 72.0% | 73.0% | 65.0% | 80.3% | 56.0% | 38.0% |
| —Other | 125.0% | 131.1% | 111.8% | 86.9% | 99.6% | 50.6% | 36.6% |
| Middle East & Africa | 41.7% | 80.0% | 73.3% | 50.9% | 62.0% | 39.0% | 31.1% |
| Western Europe | 94.1% | 79.6% | 68.3% | 60.0% | 53.0% | 49.0% | 40.3% |
| —Germany | 114.2% | 73.7% | 84.7% | 68.1% | 62.0% | 55.4% | 46.3% |
| —UK | 120.7% | 144.8% | 70.3% | 59.8% | 57.5% | 53.7% | 40.3% |
| —Italy | 50.0% | 44.9% | 66.3% | 60.9% | 50.3% | 44.6% | 29.0% |
| —Spain | 122.2% | 35.0% | 64.1% | 58.0% | 54.3% | 49.1% | 45.3% |
| —France | 155.1% | 43.6% | 48.7% | 53.0% | 49.1% | 41.3% | 38.5% |
| —Other | 46.7% | 44.4% | 64.2% | 56.5% | 33.9% | 33.1% | 37.6% |
| Asia-Pacific | 27.7% | 44.6% | 36.0% | 24.6% | 23.4% | 15.0% | 12.5% |
| —Indonesia | 79.6% | 200.0% | 190.0% | 185.0% | 90.3% | 59.7% | 48.5% |
| —India | 190.6% | 130.2% | 110.0% | 90.6% | 88.2% | 80.0% | 58.8% |
| —China* | 186.5% | 135.6% | 80.2% | 60.3% | 54.1% | 30.8% | 23.5% |
| —Australia | 84.2% | 79.6% | 65.5% | 36.8% | 32.0% | 23.0% | 15.0% |
| —South Korea | 25.0% | 60.0% | 40.0% | 20.5% | 15.0% | 11.1% | 10.0% |
| —Japan | 23.5% | 35.4% | 27.2% | 16.5% | 15.0% | 8.1% | 6.0% |
| —Other | 65.8% | 93.1% | 153.8% | 97.9% | 73.9% | 34.4% | 26.2% |
| Worldwide | 59.4% | 70.9% | 62.0% | 50.9% | 43.7% | 33.5% | 26.8% |

Note: includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets; *excludes Hong Kong

Source: eMarketer, July 2012

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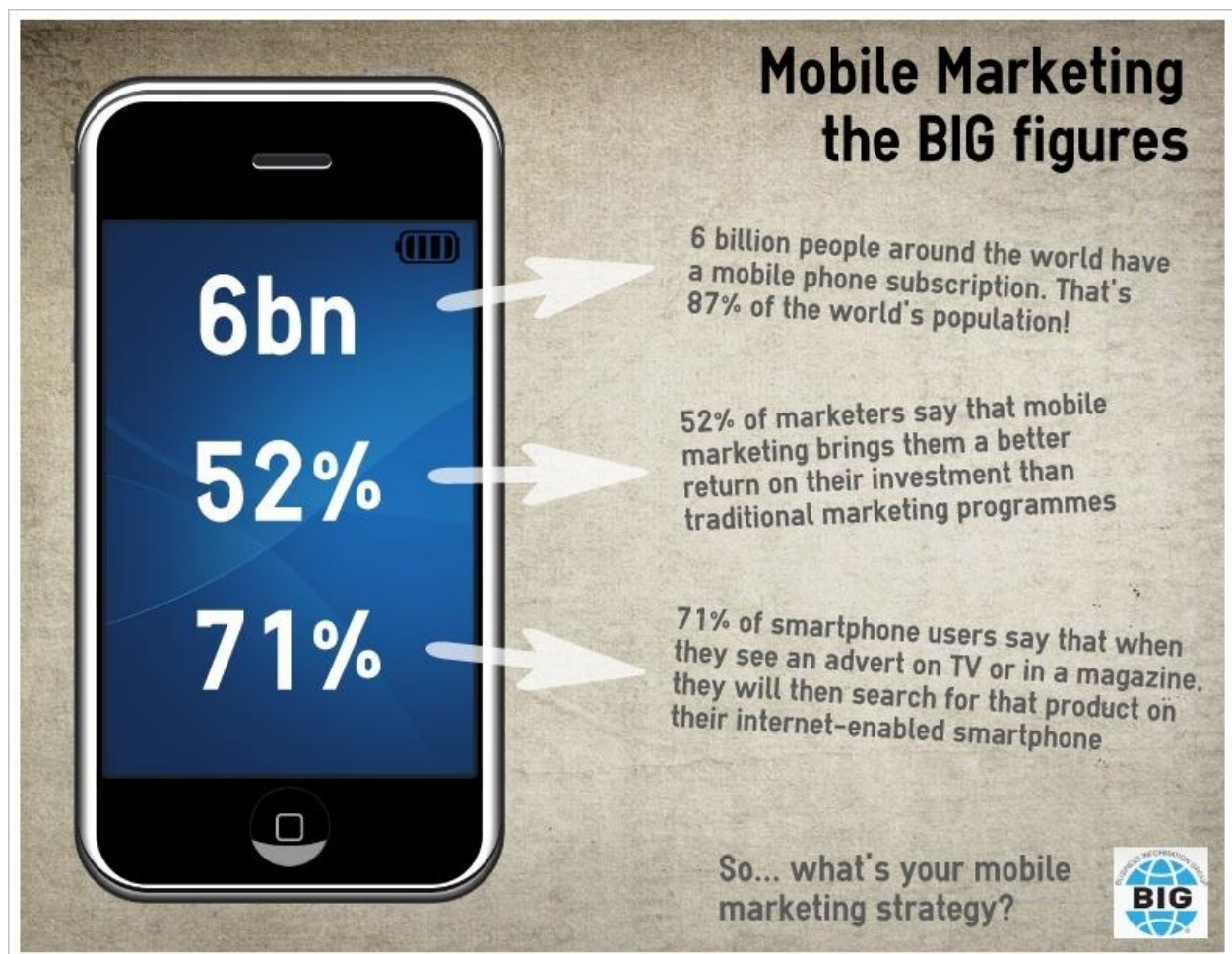
www.eMarketer.com

Key takeaways from the forecast:

- Spending on mobile advertising in the US will top all other regions in the world for the first time in 2012.

- Mobile, despite rapid growth, accounts for just 1% of total ad spending worldwide
- The mobile advertising market in Asia-Pacific remains far bigger than in Europe.
- Mobile advertising, though just 2.3% of total ad spending in the UK, is expected to take a record share by 2016, reaching 11% of total ad spending.

While India is a very small part of the mobile advertising in the world and for that matter Asia-Pacific region, it will continue to grow at a rapid rate as the report suggests its growth by more than 2000% in the next 5 years. What are your views on mobile advertising mobile and how long would it take (if at all it becomes) for it to become one of the mainstream modes of advertising in the world.



52% of marketers report that they are [experiencing greater ROI through mobile marketing than through any other medium](#). That's a huge step forward in mobile marketing. We've jumped from the rabbit-in-the-headlights moment to actually making a return on investment. With 48% of mobile owners admitting that mobile marketing influences their purchasing decisions, it's time to act (if you haven't already).

Smartphone Content Buyers More Favorable to Mobile Ads

[Daniel Mickens](#) | August 20, 2012

An August report released by the Online Publishers Association found that 38 percent of smartphone content buyers said smartphone ads are similar to Internet ads, and 42 percent said they are hard to ignore. Among smartphone users who don't buy content, that number dropped to 28 percent. A higher percentage of content buyers also said smartphone ads motivate them to research or buy items - 25 percent compared to 14 percent of all smartphone users.

Content buyers are also twice as likely to take action after seeing an ad. According to the report, 79 percent of content buyers took an action after seeing a smartphone ad, compared to 39 percent of non-content buyers. Indeed, content buyers generated higher clickthrough rates than non-content buyers - 21 percent compared to 15 percent - both much higher than the average online display ad CTR.

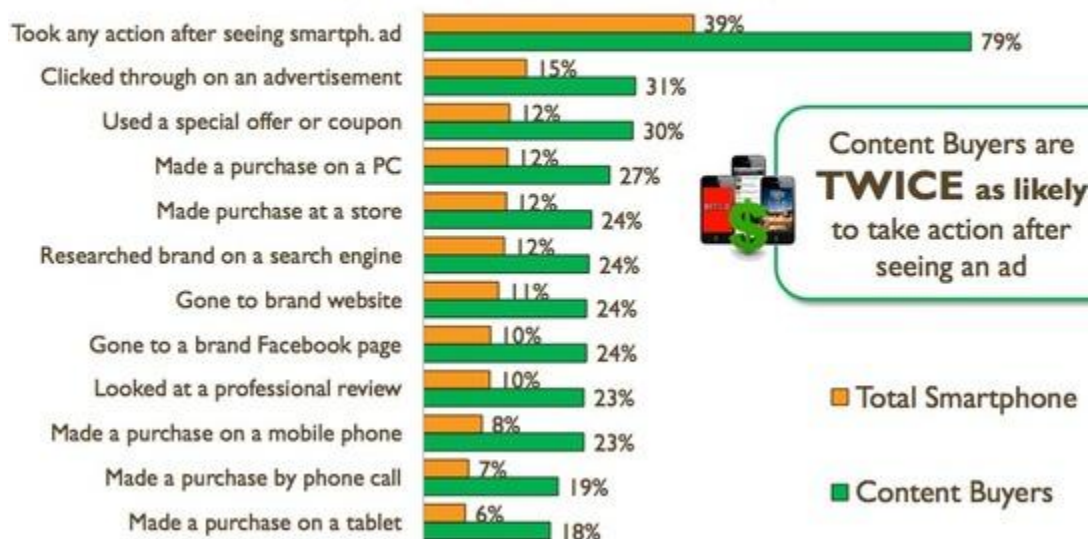
"Content buyers perceive smartphone advertising more favorably than smartphone content consumers as a whole and are more likely to take action after seeing smartphone ads," notes the OPA report.

In the past year, 24 percent of smartphone users have purchased content on their devices. Of the smartphone apps downloaded, 14 percent were reported as being paid apps.

The OPA report, conducted in partnership with Frank N. Magid Associates, also provided some interesting data points about iPhone and Android users. The numbers show that 70 percent of iPhone content consumers have bought apps in the past year, compared to 34 percent of those using Android devices. The report also shows that iPhone content consumers spend more on apps than those using Android. The report also indicated that iPhone content consumers have a more positive perception of smartphone advertising than those on Android and are more likely to take action after seeing a smartphone ad.

Action Taken After Seeing Advertisement on a Mobile Smartphone in Last Six Months

(% of Smartphone Content Consumers)



Mobile Barcode Scanning Explodes

According to a new study by Scanbuy summarized by Marketing Charts, and the ScanLife Trend Report, there were more than 16 million mobile barcode scans in the second quarter of 2012 with more than 5.3 million scans in June, becoming the highest scan month ever. Among mobile barcode scanners, half were aged 35 or older in Q2, a 22% increase over the first quarter.

Those aged 35-44 have grown to a 24% share, from 20% in Q1, while the 45-54 set and 55+ bracket also represent a growing proportion of barcode scanners.

| Barcode Scan Share | | |
|--------------------|---------|---------|
| Age Group | Q4 2011 | Q2 2012 |
| Under 18 | 11% | 8% |
| 18-24 | 22 | 16 |
| 25-34 | 28 | 26 |
| 35-44 | 22 | 24 |
| 45-54 | 10 | 16 |
| 55 + | 7 | 11 |

Source: Scanbuy/Marketing Charts, August 2012

69% of mobile barcode scanners were male in Q2, and the gender breakdown has not moved significantly from Q1, when 68% were male. But, this is a step up from Q4 2011, when 63% were male, indicating that the trend continues to favor male usage of these barcodes.

Data from ScanLife's "Mobile Barcode Trend Report Q2 2012" indicates that the top 5 marketer campaigns that generated the most scans in the second quarter by content, were:

- Contest
- Loyalty program
- Social media
- App download
- Video

The industries that generated the most scans were:

- Toys
- Health and beauty
- Wireless
- QSR
- Beverage

And, some additional findings:

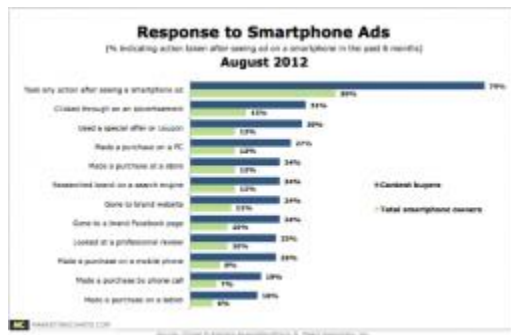
- The single largest QR code campaign of Q2 generated 2,051,807 scans. By comparison, in Q2 2011, the largest campaign generated 30,016 scans.
- In Q2 2012, ScanLife saw 120 scans per minute, 5 times as many as in Q2 2011
- QR code scanning activity is lowest in the morning, highest from 4pm to peak at 7pm.
- The QR code scanner mix by platform breaks down as: Android (53%); iOS (43%); Symbian (2%); and Blackberry (2%).

Considering popular products scanned according to the ScanLife report, it's CocaCola, Doritos, Hunger Games, and Altoids. And, Coke leads Pepsi by 67% to 33%

For more information, please [visit ScanLife here](#), or the [Marketing Chart summary](#) here.

Mobile Ads Lead 1 in 4 Smartphone Content Buyers to Purchase In-Store

August 23,
2012



Roughly 1 in 4 smartphone users have purchased applications or mobile web content over their devices ("content buyers"), according to [pdf] a joint survey by the Online Publishers Association (OPA) and Frank N. Magid Associates. 79% of those content buyers took some action after seeing a smartphone ad, with 24% saying they made a purchase at a store as a result.

The 79% of content buyers responding to an ad represents about twice the proportion of smartphone "content consumers" (the general smartphone user sample) who have done so in the past 6 months (39%). In each of 11 possible actions identified in response to a mobile ad, content buyers outpace content consumers by at least 100%, including: clicking through on an ad (31% vs. 15%); using a special offer or coupon (30% vs. 12%); making a purchase on a PC (27% vs. 12%); making a purchase at a store (24% vs. 12%); researching a brand on a search engine (24% vs. 12%); going to a brand website (24% vs. 11%); going to a brand Facebook page (24%

vs. 10%); making a purchase on a mobile phone (23% vs. 8%); and making a purchase by phone call (19% vs. 7%).

Content Buyers Are More Receptive To Mobile Ads

Content buyers' increased responsiveness to smartphone ads is due to a higher opinion they hold of them than content consumers. For example, 38% of content buyers see smartphone ads as the same as internet ads, compared to 28% of content consumers. Content buyers are also more likely to describe smartphone ads as hard to ignore (42% vs. 26%), eye-catching (29% vs. 17%), relevant (26% vs. 15%), and unique and interesting (25% vs. 14%).

Perhaps most importantly, 23% of content buyers report that smartphone ads motivate them to purchase products, compared to 12% of content consumers, and one-quarter are more motivated to research products, compared to 14% of smartphone users.

Video Top Purchase Category for Content Buyers

The OPA/Magid survey revealed that among 18 types of content, video is the most commonly purchased by content buyers (22%), followed by entertainment, books, and movies (each at 21%), weather (19%), TV shows (18%), news and sports (15%), and magazine, business/professional and lifestyle content (each at 14%).

The least popular content purchases are in the fashion/beauty (8%), broadcast-cable TV (9%), fitness/health (10%), and reference (10%) categories. This relative disregard for fitness/health content is despite a report from Millennial Media showing that the [fitness/health category upped its mobile ad spend by 111% year-over-year in Q1](#).

App Purchases Preferred for Most Categories

The OPA study also finds that smartphone content buyers are more apt to pay for apps than mobile web content in 9 of the 13 identified categories. These include lifestyle (21% apps vs. 9% mobile web content) and business/professional (20% apps vs. 9% mobile web content).

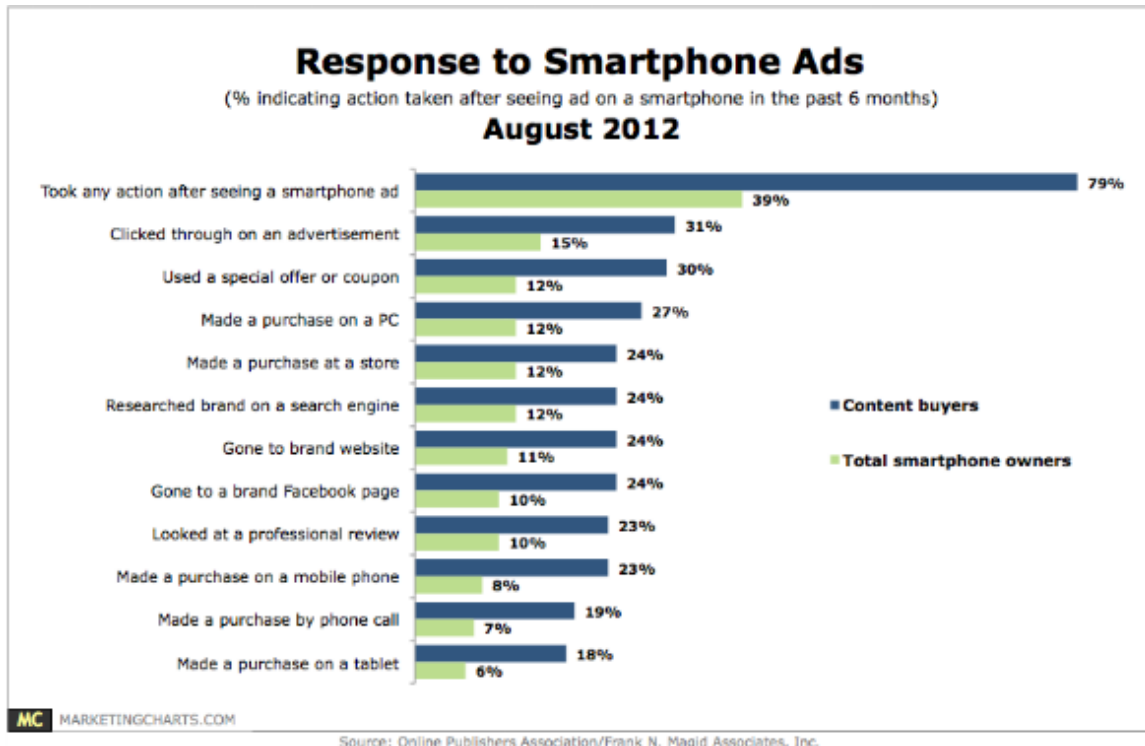
Video and entertainment lead in mobile web content purchases, each at 13% of content buyers.

Least popular for app purchases are the reference category (4% of buyers), while least popular for mobile web content purchases are the fashion/beauty (4%), and fitness/health (5%) categories.

Other Findings:

- iPhone content consumers are twice as likely to buy apps as Android content consumers (70% vs. 34%).
- 16% of iPhone owners report being motivated to purchase by smartphone ads, compared to 13% of Android owners. They are also more likely to take an action after seeing a smartphone ad (45% vs. 38%).

About The Data: The Online Publishers Association (OPA) collaborated with Frank N. Magid Associates, Inc. for data analysis and insight. Data comes from a nationally representative online survey of 2,540 internet users between the ages of 8 and 64. The sample is matched to the US Census with regard to age and gender. Data was collected from March 19 through March 26, 2012. A third-party online research panel and data collection firm was used for recruitment and data collection.



Challenge Marketers on Mobile

AUGUST 28, 2012

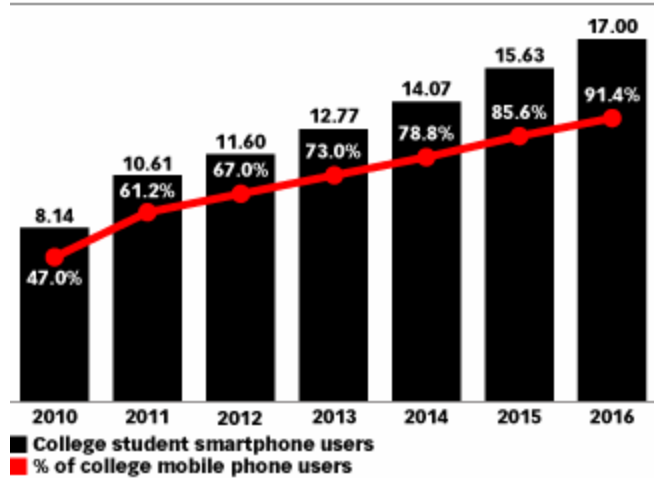
Undergrads demand relevant ads

By the time the class of 2016 graduates, close to 90% of college students in the US will own a smartphone. Fewer will carry tablets, but penetration levels will be high if recent trends continue; between March 2011 and January 2012 alone, tablet ownership tripled among college students.

Mobile devices are considered necessities by today's undergrads; they are extensions of their digital existence and personality. While laptops were once considered wonderfully mobile, fewer students bought them this year. The computing power and widespread availability of affordable smartphones (and increasingly tablets) has students flocking to these newer and even more portable devices.

Today, roughly two-thirds of students walk college campuses—and store aisles—knowing whatever information they need is accessible through their smartphone. They challenge statements made by professors, prices quoted by salespeople and the creativity of mobile marketers.

US College Student Smartphone Users, 2010-2016
 millions and % of college mobile phone users



Note: college students defined as individuals of any age enrolled full- or part-time in a 4-year or 2-year undergraduate institution; own at least one smartphone and use the smartphone(s) at least once per month
 Source: eMarketer, Aug 2012

144093

www.eMarketer.com

Campuses are a microcosm of the mobile world of tomorrow, a world in which consumers tethered to mobile devices live under economic pressure but spend nonetheless. As such, college campuses are fertile testing grounds for mobile marketers. However, college students are quick to judge and are easily turned off by messages that are interruptive or irrelevant.

Nearly seven in 10 students in a [Ball State University](#) survey reported they had been annoyed by mobile ads—and the most likely kind they reported seeing were text ads. Nearly half said they were actually less likely to purchase a product after seeing a mobile ad.

US College Students' Interactions with and Attitudes Toward Mobile Ads, Feb 2010-Feb 2012

% of respondents

| | Feb 2010 | Feb 2011 | Feb 2012 |
|--------------------------------------|----------|----------|----------|
| Select types of ads received | | | |
| Text ad | 59.0% | 83.5% | 72.4% |
| Ad with a link to the internet | 9.8% | 24.7% | 36.6% |
| Visual ad | 3.9% | 10.3% | 24.0% |
| Audio ad | 4.2% | 6.2% | 11.4% |
| Attitudes toward ads received | | | |
| Annoyed by mobile ads | 42.4% | 68.6% | 69.3% |
| Pleased to get an ad | 1.2% | 0.5% | 2.4% |
| More likely to purchase product | 4.5% | 7.5% | 5.4% |
| Less likely to purchase product | 28.1% | 48.7% | 44.2% |

Note: Ball State University students

Source: Ball State University, June 2010-Feb 2012

143899

www.eMarketer.com

Marketers that push creative boundaries, deliver content that is fun to share and diversify the types of mobile ads used will have the best odds of increasing engagement levels and brand perception among the college set.

The full report, “College Students Put Mobile Marketers to the Test,” also answers these key questions:

Click-to-call ads are mobile ads that contain a clickable phone number. The most common way to serve these ads is via Google Adwords. These ads appear after a Google search. Again, there is a phone number in the ad itself. Google will then charge the advertiser on a pay-per-call basis (each time the phone number is tapped) rather than on a pay-per-click basis.

This gives Google a way to monetize phone calls via mobile. And it gives advertisers a way to generate phone calls.

The Background

When you set up [Click-to-Call in Google Adwords](#) (Google calls them call extensions) you have to also enter a phone number you would like to use in the ad. Most businesses simply use their own phone number. However, you can use any phone number as a ‘call

extension.' We recommend that you use a phone number provided by a call tracking company. You'll see why in a moment.

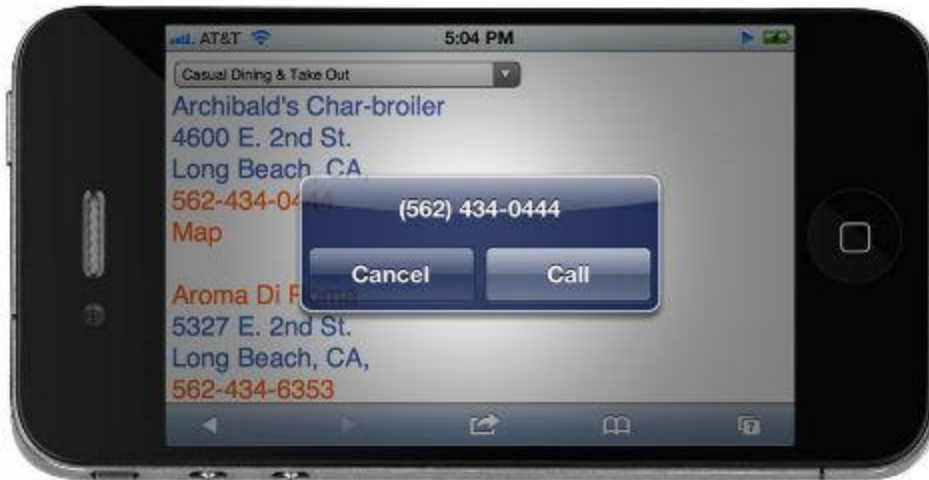
The Test

We used local phone numbers provided by LogMyCalls as the call extension number within Google Adwords. Thus our tool, LogMyCalls, was able to extract call analytics from each call.

Holiday Inn Express – Logan, Utah – June 2012

- **Results**

- Spend – \$332
- Calls Generated – Google charged us for 60 calls generated via click-to-call. This means that 60 people tapped the phone number in the ad. Google bills for all of these taps because it believes they are actual phone calls. (Note: Most mobile marketers are stuck with this information and this information only).
- Calls Completed – Only 29 calls (48.3%) were actually completed and made it to the hotel. The rest were abandoned before the phone even rang. (Note: The only way we knew this is because we used a tracking phone number from LogMyCalls to measure call analytics).
- Qualified Leads – Only 9 calls (15%) were actually looking for a hotel room. (Note: Again the only we knew this is because we used a LogMyCalls phone number and call analytics).
- Closed Deals – And 6 ended in a room reservation (10%)(Note: Again the only we knew this is because we used a LogMyCalls phone number and call analytics).



Implications

- If we had used the standard business phone number and not a call tracking phone number we would have had vastly different data about our CPL, CPA and CPC. They, frankly, would have been wrong.

- Having false data about CPA, CPL and CPC would have altered optimization, ad copy, future spend and of course, assumptions about the ad channel itself.

- The way we look at it is simple: you have to use some phone number in your click-to-call ads, you might as well use a number from [LogMyCalls](#) that will give you data.

Our call-to-action to our audience: What are **your experiences** with click-to-call? We would love to hear about your experience.

Jason Wells is the CEO of ContactPoint. Their new product, LogMyCalls, represents the next generation of [intelligent call tracking](#) and marketing automation

The Evolution of Digital Media Mix

by [Kristin Haarlow](#), Jul 18, 2012, 5:13 PM



What the media planner/buyer thinks

Then: Display was the winner ... of the leftovers

When I started in this industry seven years ago, display ads and relevant content went together like pb&j. Car advertisers ran standard Flash banners on auto sites, cpg advertisers ran standard Flash banners on recipe sites and so on. Networks were accustomed to adding significant amounts of impressions to a campaign at efficient rates. Behavioral targeting was the “hot topic,” allowing advertisers to get in front of an audience based on their Web-surfing behavior. Click-through rate was primarily used to measure success with a few advertisers dipping their toes into more robust engagement metrics such as view-through data. Digital was the medium that got whatever dollars were left over once tv and print were planned. Display impressions were still being given as added value to print buys. Digital was a hard sell for most clients and was typically looked at as a test.

Now: Social, video, mobile and more

Fast-forward seven years and digital has a media mix of its own — with display as one (smaller) portion. And tv and print? They’ve gone digital. Entire agencies exist on digital media buying and planning alone. Advertisers have to consider so much more than running Flash versus static display creative. The conversation focuses on what type of digital media should advertisers use and how much of each? Social, video, mobile and local join display in the overall digital media mix. Reaching people through multiple digital touch points and engaging them through meaningful experiences is what moves brands forward in today’s environment.

Not only has the digital media mix changed, but the way inventory is purchased in the digital space has also changed. We’ve shifted from

buying against content or even vast demographics toward creating experiences that match up with real human desires. Targeting has become much more advanced, allowing advertisers to place their message in front of the right person at the right time regardless of which screen they're using. Data providers are now invited to the table to discuss media buys and build custom targets. This allows advertisers to use reliable and actionable data rather than assumptions based on Web surfing activity to target their advertising. When targets are built with a data provider, they are media-agnostic and can be applied across entire campaigns. This allows social, video, mobile, local and display to work harder for advertisers by eliminating wasted impressions. We're interested in what inspires people, plain and simple.

Social: Leave the robot speak at the door

Social media platforms are the perfect example of a true human experience today. They are about interaction and engagement between people. They supply a stage for people to share their thoughts with everyone on every topic, interesting or not. People want to celebrate themselves and their friends through photos, videos and status updates. Successful brands are the ones that speak like real people and not-so-successful brands will stick out (for all the wrong reasons). If a brand wants to have a conversation with people, they need to have a true voice and avoid sounding like a robot. People want to feel special and that they are valued. They follow brands that add something to their social experience.

Southwest Airlines does a great job relating to fans on Facebook while also standing up for what it believes. Its social approach is to be on the customer's side and its social voice comes across as friendly and relatable. The vibe —when you fly with us, you are one of us — is one that has gained great respect in the industry. It doesn't shy away from uncomfortable topics. I've always been a Southwest fan, but my respect for the company grew even more when it used Facebook to keep everyone up to date on their inspections after a hole was found in one of their planes. Every day it would mention how many flights would be canceled, how many were being added back into service and when it expected all inspections to be completed. It was honest. It was real. And the fan base grew during a

bad time.

Mobile: You hungry? There's an ad for that.

Mobile connects brands with people on the go and provides a great platform for customized local messaging. With the smartphone population growing each day, advertisers have access to a vast amount of location-based data. What I love about mobile is the ability it provides advertisers to place the right message in front of the right person at the right time to drive their business objectives. Dairy Queen recently promoted its lunch menu by serving ads to people who were posting messages on their mobile devices about being hungry during lunch hours. It also responded in real time to people who checked in to a dq or mentioned going to a dq in their status updates by providing unique offers. It made perfect sense and was a great example of how advertisers can make an instant connection with people. You mention being hungry and dq reminds you of their lunch menu items — it seems so simple, yet wasn't possible until recently. Advertising is getting personal.

What the consumer (aka a person not in advertising) thinks

Then: Curiosity (sometimes) got the click

People were still getting comfortable with digital advertising. There was a level of curiosity which helped drive clicks to brand Web sites, and advertisers took advantage of this by tailoring their creative messaging to a specific offer, thus starting what we in the biz call "offer wars." People knew what to expect — car ads on car sites, finance ads on finance sites, no biggie.

Now: But how does the digital media mix make you feel?

People are always in front of some sort of screen for 24/7 access to content. There's always a version of "Call Me Maybe" or a Puppy Cam to watch, so the expectations of advertisers are higher than ever before. The days of blasting ads are over. Advertisers know they must create meaningful experiences for people if they want any sort of brand engagement in the digital space. It's all about value exchange and the relationship between brands and the people who purchase their product/service. A coupon may help entice a one-time

action with a brand; however, it's all about the vibe, the feeling — the experience that keeps people engaged with the brand long-term. So now I'm going to say something that probably won't shock you: Content is key. Display alone does not a digital mix make. We've seen average ctrs drop over the years because it's not a natural behavior for people to click on a display ad and leave their current digital environment. When you create experiences for people to engage with, you capture their attention and spark the relationship. It's then up to the brand to continue the conversation with those they engage.

A client's perspective of the space

Then: Click, click, clickity, click, click ... click.

Clients used display advertising to drive as many people to their site as possible. The thought was if someone visited the Web site, then they must be interested in the brand. Success was measured on clicks and Web site visitation. Campaigns were optimized to drive traffic to brand sites as efficiently as possible. Digital was viewed as a “nice to have” in overall media mix rather than a “need to have,” especially for branding advertisers. Direct-response advertisers far outweighed brand advertisers in the digital space.

Now: Is it measureable?

As digital media has evolved, so has its measurement. The vast amount of data available on a digital campaign allows clients to see exactly what the media is doing for them and how kpi goals are met. With multiple digital touch points at play, it is crucial we show the value of each. It's not about Web site visits; it's about brand engagement that drives real business results. While being in the social space is “cool” and having a mobile presence is “forward thinking,” clients want to know exactly what it means for their business. We can now put measurement in place to show clients the value of a fan, a post, a share. We can link store sales in a specific region to a mobile campaign. We know how many unique users started watching a video, completed a video, replayed a video, and then we can show if they visited the brand's site at a later date. An impression has value and with the tools available today, we can show

that to clients. Was it actually viewed by someone? In what type of content? And what demographic did it reach? Measurement is one of digital's defining characteristics, and it will no doubt continue to evolve so clients get exactly what they need.

The online ad industry's [Making Measurement Make Sense](#) (3MS) initiative calls for a new viewability metric that would only measure when 50 percent of an ad is in view for at least one second. The problem is, fewer than half of online ads meet that standard, according to a forthcoming study due out Tuesday.

The study by AdSafe Media, which offers products that promise to safeguard brands' ads online, shows that 49.9 percent of ads sold directly hit the proposed requirement. The number shrinks to 41.2 percent in the case of ads sold through ad networks and 40.3 percent of ads sold through ad exchanges.

And that's only for a second-long peek. When extending the in-view window to 15 seconds, the stats dwindle to 21.1 percent for ads. The findings are based on impressions examined during the first half of 2012.

AdSafe also looked at cases of ad collision, or instances when multiple ads from one advertiser's campaign pop up on the same page. That unintentionally happens with 6 percent to 7 percent of the ads that get served. While doubling up an advertiser's presence on the page could juice the likelihood of the brand's paid media being seen, said AdSafe svp of product management David Hahn, it "represents a pretty significant loss of value" because the likelihood of a user converting drops for both.

According to July 2012 survey results from Prosper Mobile Insights, roughly one-third of smartphone and tablet users said they would be [more likely to pay attention to an ad on their device if the ad's topic](#)

[was relevant](#) to them, making this the leading reason among those identified.

Consumers Willing but Not Able

Data from Hipcricket's "2012 Mobile Advertising Survey" indicates that 58% of respondents describe themselves as "more inclined" to engage with a mobile ad from their favorite brands, if the ads include an offer, deal or coupon. And they are relatively open to sharing their personal information: some 44% would be willing to provide personal information via a mobile ad in return for a reward, coupon or deal. But, an overwhelming 74% report that their favorite brands are not advertising to them on their mobile devices, which the researchers call "a significant missed opportunity." And however eager they are for rewards, just 28% report having engaged with a mobile ad to earn a reward like a coupon or game-play benefits.

Clicks Lead Engagement Methods

When asked how they have engaged with mobile ads, a plurality of respondents (38%) did so by clicking or tapping on the ad. Other common ways of engaging included redeeming a coupon (31%), clicking on a sponsored link in a text message (29%), downloading an application they saw advertised (28%), and visiting a mobile website as a result of an ad (25%).

Asked what type of mobile ads they have viewed, 70% of the respondents recalled viewing mobile banner ads, followed by SMS/text message ads (44%), ads within a mobile game or app (42%), mobile video ads (38%), and mobile email with an ad (31%).

Smartphone Owners Make Purchases, Referrals

Mobile advertisers must overcome reticence among some consumers, but smartphone owners who are familiar with mobile ads are comfortable making purchases or recommendations using them. 46% of those surveyed have viewed a mobile ad, and fully 64% of those who have viewed an ad have made a purchase as a direct result of mobile advertising, for a total of 29% of smartphone owners.

The responses varied by sex, with men (68%) more likely to make a purchase as the result of a mobile ad than women (58%). Men are also more likely than women to have referred a friend to a product or service as the result of seeing or engaging with a mobile ad (52% vs. 37%).

Younger respondents (aged 25-34) have the most interest and interactivity with mobile ads. Some 70% of them have made a purchase as a direct result of a mobile ad, and 58% would be willing to provide personal information via a mobile website in return for a reward or coupon (twice as likely as those in the 45-54 year old category). 48% think more positively about their favorite brands after interacting with them via their mobile device, which is significantly more than any other age group.

About The Data: The 2012 Hipcricket Mobile Advertising Survey was conducted in June 2012 via email and results were derived from 650 US-based mobile phone users, distributed across five age categories (18-24, 25-30, 31-35, 36-40, 41-45) and four income ranges (\$25,000-\$50,000; \$50,000-\$75,000; \$75,000-\$100,000; greater than \$100,000). Respondents were evenly divided between males and females, and 27% resided in the Northeast; 21% in the Midwest; 30% in the South; 22% in the West. 73% of the respondents owned a smartphone

ADVERTISERS CAUTIOUS OF MOVE TO MOBILE

AUGUST 9, 2012 | [RICHARD WATERS / FT](#)

THIS IS A MOVIE THAT THE INTERNET INDUSTRY HAS SEEN BEFORE, SAYS JOE KENNEDY, CHIEF EXECUTIVE OF PANDORA, THE US INTERNET MUSIC SERVICE THAT COUNTS ITSELF AMONG THE TOP FIVE BENEFICIARIES OF MOBILE ADVERTISING.

INTERNET USERS MAY BE FLOCKING TO MOBILE DEVICES, BUT PROFITS HAVE BEEN SCARCE AS MANY ADVERTISERS REMAIN WARY OF THE NEW MEDIUM.

MOBILE INTERNET USE ACCOUNTED FOR 10.1 PER CENT OF MEDIA USE IN THE US AT THE END OF LAST YEAR BUT ATTRACTED ONLY 0.9 PER CENT OF THE TOTAL MONEY SPENT ON ADVERTISING, ACCORDING TO US RESEARCH FIRM EMARKETER. PANDORA, WHICH SEES 70 PER CENT OF ITS USE ON MOBILE BUT GETS ONLY A THIRD OF THE ADVERTISING YIELDS THERE COMPARED WITH WHAT IT RECEIVES ON THE WEB, IS ONE OF MANY ADVERTISING-BASED INTERNET COMPANIES TO SUFFER.

THIS MAKES THE EMERGENCE OF THE MOBILE INTERNET A REPLAY OF THE DOTCOM ERA, CLAIM MR KENNEDY AND OTHER EXECUTIVES: ADVERTISERS WILL INEVITABLY FOLLOW, ONCE THE MEDIUM MATURES.

“THERE’S NOTHING DIFFERENT HERE FROM WHAT HAPPENED WITH THE INTERNET,” HE ADDS.

WALL STREET AND SILICON VALLEY ARE BOTH HOPING HE IS RIGHT – AND THAT THE MOBILE WORLD IS NOT DESTINED FOR ITS OWN VERSION OF THE DOTCOM BUST BEFORE THE PROMISED PAY-OFF ARRIVES.

FOR NOW, ADVERTISING RATES ARE “TERRIBLE”, WITH CPMS, OR COST PER THOUSAND VIEWS, RUNNING AT 35-40 CENTS, SAYS MATT MURPHY, WHO RUNS THE MOBILE START-UP FUND AT VENTURE CAPITAL FIRM KLEINER PERKINS. THAT COMPARES WITH RATES THAT ARE AS MUCH AS 20 TIMES HIGHER FOR PREMIUM WEB SITES. WITH ADVERTISING THE LIFEBLOOD OF MUCH OF THE PC-BASED WEB, THAT HAS LEFT A YAWNING CHASM FOR MANY COMPANIES TO CROSS BEFORE THEY CAN CASH IN ON THE LATEST INTERNET BOOM.

“A YEAR FROM NOW, THE VAST MAJORITY OF TRAFFIC [FOR MANY INTERNET COMPANIES] WILL COME FROM

MOBILE,” SAYS MR MURPHY. “THEY CAN ALL SEE THE WRITING ON THE WALL.”

THANKS IN PART TO LOWER ADVERTISING RATES ON MOBILE, THE AVERAGE AMOUNT OF MONEY GOOGLE MAKES EACH TIME A USER CLICKS ON AN ADVERT HAS FALLEN IN EACH OF THE LAST THREE QUARTERS, WITH THE DECLINE ACCELERATING TO 16 PER CENT IN THE LATEST QUARTER. FACEBOOK, MEANWHILE, REVEALED THAT THE 16 PER CENT GROWTH IN ITS DAILY USER NUMBERS IN THE US AND EUROPE IN THE LATEST QUARTER WAS ENTIRELY DUE TO MOBILE, WHERE IT HAS JUST STARTED EXPERIMENTING WITH ADVERTISING. AS A RESULT, IN THE SAME QUARTER THAT THE COMPANY MADE ITS DEBUT ON WALL STREET, THE NUMBER OF ADVERTS IT CARRIED IN THE US ACTUALLY FELL.

LIKE MR KENNEDY AT PANDORA, MOST INTERNET EXECUTIVES CLAIM THAT THIS IS A TEMPORARY STATE OF AFFAIRS THAT WILL END ONCE THE INDUSTRY FINDS ADVERTISING FORMATS BETTER SUITED TO THE MEDIUM AND DEVELOPS NEW INFRASTRUCTURE AND TECHNIQUES, FROM ANALYTICS AND DATA ON THE PERFORMANCE OF MOBILE ADS TO NEW FORMS OF TARGETING.

“WE BASICALLY AS AN INDUSTRY TOOK THE DESKTOP MODEL AND PLACED IT ON TOP OF MOBILE,” SAYS CAROLYN EVERSON, HEAD OF ADVERTISING AT FACEBOOK. THE SOCIAL NETWORKING COMPANY CHOSE INSTEAD TO HOLD BACK AND INTRODUCED MOBILE ADVERTISING ONLY IN MARCH OF THIS YEAR. ITS CHOSEN FORM – ADS KNOWN AS SPONSORED STORIES THAT ARE PLACED IN USERS’ NEWSFEEDS – IS GOING DOWN WELL WITH BOTH CONSUMERS AND

ADVERTISERS, SHE CLAIMS. HOWEVER, AT ABOUT \$500,000 A DAY, IT HAS A LONG WAY TO GO TO BECOME A MEANINGFUL NEW SOURCE OF REVENUE.

ON TUESDAY, FACEBOOK ANNOUNCED ITS SECOND MOBILE EXPERIMENT, LETTING APP DEVELOPERS PAY TO HAVE USERS DIRECTED TO A MOBILE APP STORE TO DOWNLOAD THEIR SOFTWARE. THIS “PAY-PER-DOWNLOAD” MODEL IS WELL SUITED TO MOBILE DEVICES AND IS ALREADY TURNING OUT TO BE ONE OF THE MOST EFFECTIVE FORMS OF MOBILE ADVERTISING, SAYS THE PARTNER AT ONE OF SILICON VALLEY’S MOST PROMINENT VENTURE CAPITAL FIRMS.

THIS POINTS TO A RANGE OF NEW DIRECT-RESPONSE METHODS THAT SUPPORTERS CLAIM ARE WELL SUITED TO MOBILE, FROM CLICK-TO-CALL (CHARGING ADVERTISERS WHEN A USER RESPONDS TO A MESSAGE BY CALLING A PHONE NUMBER) TO TAPPING ON AN ADVERT FOR A NEW MOVIE AND HAVING THE LAUNCH DATE ENTERED INTO A MOBILE DIARY.

DESPITE THE PERENNIAL OPTIMISM THAT PERVADES THE INTERNET INDUSTRY, HOWEVER, MOBILE ADVERTISING FACES INHERENT LIMITATIONS, AND NOT JUST BECAUSE OF THE SMALLER SCREEN SIZES AND LIMITED USER ATTENTION.

ON MOBILE, ADVERTISERS LACK AN IMPORTANT TOOL FOR ASSESSING RELEVANCE BECAUSE THEY ARE UNABLE TO PLACE COOKIES ON MOBILE DEVICES TO TRACK USERS’ INTERESTS AND SUPPORT THE KIND OF BEHAVIOURAL TARGETING SEEN ON THE WEB. THE LOCATION INFORMATION SENT OUT BY MOBILE GADGETS PROMISES TO REPLACE THIS WITH A VALUABLE NEW FORM OF DATA, BUT FOR NOW, MOST COMPANIES SAY THEY ARE HOLDING BACK FROM

TRYING TO APPLY THE INFORMATION BECAUSE OF THE LACK OF ACCEPTED NORMS FOR HOW TO USE THE INFORMATION WITHOUT INFRINGING PRIVACY. “SOCIETY IS STILL WORKING THAT OUT,” SAYS MR KENNEDY OF PANDORA.

AS A RESULT, MOST NEW INTERNET START-UPS TRY FROM THE OUTSET TO DIVERSIFY BEYOND ADVERTISING, SAYS MR MURPHY, OF KLEINER PERKINS. ECOMMERCE COMPANIES HAVE SO FAR MADE THE TRANSITION TO MOBILE WITH LESS DISRUPTION: EBAY LAST MONTH CHEERED WALL STREET WITH THE NEWS THAT IT IS EXPECTING \$10BN IN PURCHASES ON ITS SITE TO TAKE PLACE FROM MOBILE DEVICES THIS YEAR, DOUBLE THE LEVEL OF 2011.

SUBSCRIPTIONS BUSINESSES ARE ALSO TAKING HOLD, WITH USERS PROVING MORE WILLING TO PAY FOR THE CONVENIENCE OF TAILORED SERVICES ON MOBILE THAN THEY WERE ON THE WEB, ACCORDING TO MR MURPHY. COMPANIES SUCH AS ONLINE STORAGE COMPANY DROPBOX, NOTE-TAKING APP DEVELOPER EVERNOTE AND MUSIC SERVICE SPOTIFY HAVE ALL FOUND THAT THE MOBILE WORLD CREATES A NEW DEMAND FOR PREMIUM SERVICES.

MOBILE ADVERTISING, THE BIGGEST PRIZE, MAY EVENTUALLY FOLLOW – BUT THE SMARTEST MOBILE COMPANIES ARE NOT WAITING TO FIND OUT.

Study: More Users Clicking Ads, Rise In M-Commerce Comfort

by [Mark Walsh](#), Yesterday, 5:49 PM

When it comes to accessing mobile content, people are most frustrated by the connection speed of their devices and ability to find what they are looking for, according to Adobe's 2012 mobile consumer survey.

The wide-ranging study also found that about 40% of mobile users have clicked on ads, and Android phones are the most popular across age groups, among other findings.

The survey, conducted by Keynote Services in March, categorized preferences based on gender and age. The participants were split almost equally between male and female. Age groups were split into young (18–29), middle-aged (30–49) and older (50–64) groups, with the highest number of participants coming from the middle-aged group.

The younger age group reported the most time, at three to five hours per week on mobile Web sites (28%) and applications (28%). By contrast, the older age group spent less than one hour per week on both mobile sites and apps.

Asked where they would most like to see improvement in consuming mobile media, speed and navigation were the areas people cited most often, along with a category dubbed “other.” That echoes a Pew Research Center [survey](#) released earlier this month, which found that half of smartphone users say they experience slow Internet download speeds at least once a week.

Across industry categories including media, travel and financial services, travel had the highest “negative-to-neutral” ratings for both the mobile Web and apps, especially among older users.

The study also offered user data on the ad front. The survey showed that 42% have clicked through on mobile Web ads and 37% on in-app ads. That means that study participants *at some point* have clicked on a mobile ad, not necessarily on a regular basis. It also means the majority are not yet clicking on mobile ads. Men are more likely to click on in-app ads than women (42% vs. 32%).

Google and others have often pushed marketers to create mobile-optimized sites to capture more interaction on devices. But in relation to ad landing pages, at least, the Adobe study found users were mostly satisfied with the experience. About three-quarters said landing pages for Web and app ads were tailored to mobile screens.

The report also looked at m-commerce habits. It found that people are most comfortable spending in the range of \$1-\$250 on their mobile device (just over 40% overall). When shopping via mobile apps, Android tablet users reported the highest satisfaction rate at 88%, followed by the iPad, at 71%.

The report also underscored the reason that Facebook is now so aggressively trying to monetize its mobile audience. It's by far the most popular social network among mobile users, with 85% accessing the service on their devices compared to 35% for Twitter and 21% for Google+.

Other key findings from the study:

*Android smartphones are the most popular by ownership percentage (58% young, 50% middle, 38% senior) across all age groups.

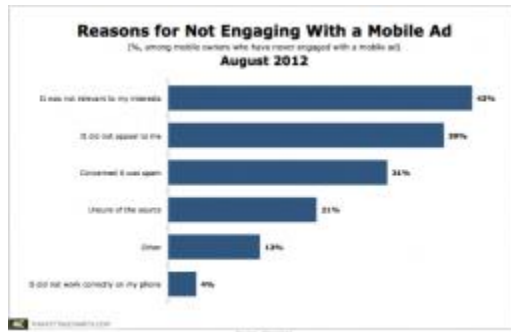
*Apple tablets (iPads) are the most popular with young (27%) and middle-aged (31%) groups. However, the Kindle Fire is the leader among seniors (22%).

*Scanning QR codes is becoming a mainstream activity: 38% of young and 40% of middle aged groups have scanned in the past three months.

*Location services are on the rise, driven by consumer incentives to check in. Younger demographics are more likely to check in (35%) versus seniors at 18%.

Distrust, Irrelevance Temper Mobile Ad Engagement

August 6, 2012



Among smartphone owners who have never engaged with mobile ads, a lack of relevance is the top reason why, [according to](#) [download page] a July 2012 survey from Hipcricket. 43% of this group said that the ads were not relevant to their interests, while 39% said they did not appeal to them. Other common reasons for not engaging with a mobile ad include concern that it was spam (31%) and uncertainty over the source (21%). Overall, 35% of the mobile owners surveyed said that they have never engaged with a mobile ad.

According to July 2012 survey results from Prosper Mobile Insights, roughly one-third of smartphone and tablet users said they would be [more likely to pay attention to an ad on their device if the ad's topic was relevant](#) to them, making this the leading reason among those identified.

Consumers Willing but Not Able

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for rewards, just 28% report having engaged with a mobile ad to earn a reward like a coupon or game-play benefits.

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When asked how they have engaged with mobile ads, a plurality of respondents (38%) did so by clicking or tapping on the ad. Other common ways of engaging included redeeming a coupon (31%), clicking on a sponsored link in a text message (29%), downloading an application they saw advertised (28%), and visiting a mobile website as a result of an ad (25%).

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The responses varied by sex, with men (68%) more likely to make a purchase as the result of a mobile ad than women (58%). Men are also more likely than women to have referred a friend to a product or service as the result of seeing or engaging with a mobile ad (52% vs. 37%).

Younger respondents (aged 25-34) have the most interest and interactivity with mobile ads. Some 70% of them have made a purchase as a direct result of a mobile ad, and 58% would be willing to provide personal information via a mobile website in return for a reward or coupon (twice as likely as those in the 45-54 year old category). 48% think more positively about their favorite brands after interacting with them via their mobile device, which is significantly more than any other age group.

About The Data: The 2012 Hipcricket Mobile Advertising Survey was conducted in June 2012 via email and results were derived from 650 US-based mobile phone users, distributed across five age categories (18-24, 25-30, 31-35, 36-40, 41-45) and four income ranges (\$25,000-\$50,000; \$50,000-\$75,000; \$75,000-\$100,000; greater than \$100,000). Respondents were evenly divided between males and females, and 27% resided in the Northeast; 21% in the Midwest; 30% in the South; 22% in the West. 73% of the respondents owned a smartphone

Mobile traffic now accounts for 10% of the Internet. Up from 1% in late 2009.

When it comes to using mobile phones as the primary means of Web access, emerging countries like India or China might come to mind. But nearly a third (31%) of adult U.S. mobile Web users say they now go online mostly through their cell phones, according to the [latest study](#) by the Pew Research Center's Internet & American Life Project.

That works out to 17% of all American adults who own a mobile handset.

Those proportions are slightly above the corresponding figures last year of 27% and 13%, respectively, but the percentage increases are within the margin of error.

Overall, more than half (55%) of mobile owners go online through their phones, up from 47% last year.

Leading the mobile-only Web trend are young people and minorities. Nearly half of all 18- to-29-year-olds (45%) who access the Internet on phones do most of their online browsing on their mobile device. Half (51%) of African-Americans and 42% of Hispanics in the same category also mostly go online through their phones. By contrast, only 24% of white mobile Web users turn mainly to their devices for Web access.

Less affluent (income of under \$50,000 annually) and less well-educated people were also more likely to rely mostly on their phones for Web browsing than those with higher incomes and college or

higher levels of education. Why are some people mostly using their phones to go online?

The majority (64%) of “cell-mostly” users cited convenience and the ubiquitous nature of mobile phones as the main reason. They also said mobile devices better fit their online habits (18%), and 10% pointed to a lack of other options for going online.

Looking at the broader population, Pew found 88% have a mobile device, and almost half (49%) use their devices to access the Web or use email. Three-quarters of mobile Web users (74%) go online on their phones at least once a day, or 41% of all cell owners.

The report highlighted that mobile Web browsing and email use has risen steadily in recent years, to 55% of mobile owners as of April 2012, from 31% three years ago. The Pew figures roughly correspond with the latest data from comScore showing that 49% of mobile subscribers (13 and over) used a browser in April.

The Pew findings were based on telephone (and cell phone) interviews conducted by Princeton Survey Research Associates International from March 15 to April 3, 2012 among a sample of 2,254 adults 18 and over.

Consumers Show Lack of Comfort With Facebook Targeted Ads

July 23, 2012

[inShare](#)⁰

Consumers who are aware of Facebook’s use of their profile information and posts to target ads towards them aren’t very accepting of this practice, [according to](#) survey results released in July 2012 by Placecast. Just one-third of these consumers say they are somewhat or very comfortable with it, the lowest proportion among the list of 7 data usage cases identified in the survey. By contrast,

topping the list in terms of consumer comfort was grocery stores using purchase information to give coupons tailored to frequent purchases. 81% of consumers aware of this practice said they are very or somewhat comfortable with it.

The report notes an interesting outlier with respect to Facebook's use of data: among those aware of it, women aged 18-34 were 58% more likely than average to indicate comfort with it (52% vs. 33%). Citing comScore and Nielsen as sources that indicate that these users make up some of the social network's heaviest users, the report suggests that a correlation might be present between reliance on social networking and acceptance of data usage.

Amazon Gets High Marks

Meanwhile, data from Placecast's "The Alert Shopper III," conducted online by Harris Interactive, shows that Amazon's use of data on purchases to promote items gets the nod from shoppers aware of this data use, with two-thirds saying they are very or somewhat comfortable with it. After grocery stores and Amazon, though, there a significant gap to the next tier of comfort with other forms of data use. For example, although Google's use of past online searches for ad targeting is more accepted than Facebook's use of profile information, the former only finds 41% of those hip to it being very or somewhat comfortable with the practice. Indeed, according to March 2012 survey results from Pew, while 59% of online consumers have noticed ads online directly related to things they recently searched for or sites they had recently visited, [slightly more than two-thirds reported not being okay with these targeted ads](#). Targeted ads online aren't always so distrusted, though, per July [survey results](#) from Bizrate Insights: the study indicates that a greater proportion of online consumers appreciate than don't like retargeted ads (25% vs. 15%), with the majority neutral towards them.

Comfort With Local Offers Via Mobile Varies With Age

Further data from the Placecast study indicates low acceptance of cell phone service providers using location information from consumers phone to send local offers, even with their permission. Just 35% of those with knowledge of this indicated being at least

somewhat comfortable with it. Perhaps unsurprisingly, though, comfort showed a clear trend along age lines. 47% of the 18-34 set said they were comfortable, falling to 38% of 35-44-year-olds, 34% of 45-54-year-olds, and just 23% of those 55 and over.

A University of California-Berkeley study also released in July found that 46% of mobile owners believe that providers should not keep their subscriber location information, and 92% would either probably (22%) or definitely (70%) not allow their provider to use their location to tailor ads to them.

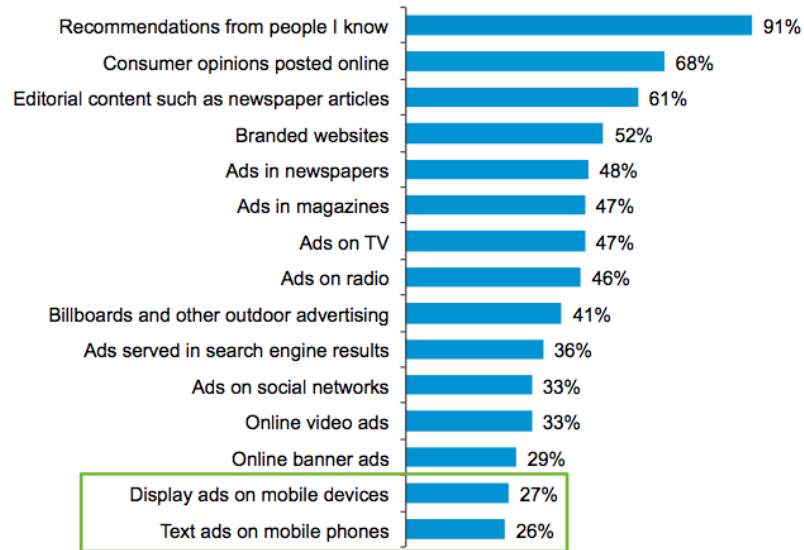
Traditional Media Outperform Digital Channels

*Americans engaged in a variety of traditional media are also more likely to take note of ads than those engaged in digital media channels. For example, among users of these media, 82% always or sometimes notice ads in direct mail, with outdoor ads (80%), radio (79%), paid daily newspapers (74%) not far behind. By contrast, just 71% of search engine users notice ads on that channel.

About the Data: The BrandSpark study surveyed close to 130,000 shoppers in North America. The sample size for the select questions about ads in various media was 3,057.

Trust in mobile ads is low

To What Extent do you Trust the Following Forms of Advertising
Global Online Survey (Q3 2011 n=501)



nielsen

6

[Foursquare](#), about to celebrate its third birthday, is big but not *huge*. It has signed up 15 million users (about 5% of the U.S. population) and now boasts several million check-ins per day.

Fact: Only 5% of Americans who own mobile phones actually used the 2-D barcodes in the three months ending July 2011, according to Forrester Research. And those 14 million early adopters tended to be young, affluent and male.

With the popularity of smartphones set to explode over the next year, brands may do well to heed the latest research published by agency [YouGov](#) that suggests a significant proportion of users find advertisements on their phones annoying.

The study, which analysed predictions for 2012 on consumer behaviour around smartphones, digital newspapers, digital tv and digital radio, found that in the UK, around 86 per cent of users ignore mobile advertising while 79 per cent said that they found their presence irritating.

21 - Mobile

Marin Software, a digital advertising management company, found in its quarterly U.S. Online Advertising Quarterly Report, that 18% of paid search clicks come from mobile devices, says Gagan Kanwar, director of partnerships and research at Marin Software.

The report uses data from 1,500-plus advertisers and agencies that collectively spend more than \$3.5 billion annually on biddable media, Kanwar says.

Within the mobile devices that constitute 18% of all paid search clicks, Kanwar says smartphones account for 10% and tablets represent the remaining 8%. It's a percentage that is on the rise, Kanwar adds, noting that according to the study, paid search clicks rose from 14% to 18% in Q2 2012.

By [Dave Seyler](#) on Jul, 5 2012 with [Comments 0](#)

As America transitions from desk-bound internet access to mobile access, people who relied on their desk-sited hardware are learning to use their mobile device as the exclusive tool to perform certain tasks, according to a BIGinsight study.

The number one use: checking email. According to the most current research, more than half of all mobile users now make it their exclusive tool for checking email, and several other functions are following in its wake.

Here are the top tasks in terms of mobile users that are now done only on the mobile device:

Email: 51.1%

Internet Search: 45.3%

Facebook: 42.3%

Instant Messaging: 34.4%

Online Banking: 29.6%

Online Shopping: 25.4%

Twitter: 14.8%

Pinterest: 6.9%

None of the above: 31.7%

“With consumers opting for mobile devices instead of computers for many online activities, marketers need to hone in on their targets in the traditional as well as the mobile ad space,” said Pam Goodfellow, Consumer Insights Director at BIGinsight. “Retailers need to know which types of ads their customers are most receptive to, as some may pay more attention to mobile banner ads, sponsored stories, and videos.”

(COMMENT: NOT EXACTLY ENGAGED) BIGinsight noted which kinds of ads break through into the user’s consciousness: “Roughly 1 in 10 say they regularly pay attention to sponsored stories or links (11.2%), ads that play before/during a video (10.0%) and video ads in general (8.8%). Banner ads (8.2%) aren’t far behind in gaining regular attention, but pop-up ads (4.5%) appear to be the least liked type of mobile solicitation.”

By [Dave Seyler](#) on Jun, 26 2012 with [Comments 0](#)

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Young-skewing format fans love to download apps on their favored mobile platform the most, but all format fans do it. We have the click-by-click details based on comprehensive data from BIGinsight.

Overall, games are the most popular download, but there are 16 other categories measured by BIGinsight, going all the way down to

downloaders who are seeking medical information. We kick off the study with a look at benchmark adult 18+ figures. Those identifying themselves as fans of a particular style of radio tend to download to a greater extent than the population as a whole.

There are also differences in how many fans download mobile applications, another good thing to know. The frequency of downloading ranges from 74.6% of the young Alternative audience to only 58.2% of the older Oldies audience. Not surprising – but maybe it is a surprise that as many as six in ten of the oldest-skewing format is participating in cutting edge technology offerings.

It goes to show that this is information that no radio station can afford to ignore.

Boilerplate: The number in parens after each format heading refers to the average age of the audience. The download apps percentage refers to how many in a particular audience download mobile apps. The specific percentages refer only to the downloader portion of the audience. For reference, we have placed the 18+ ranking in parens for easy reference as you make your way through the charts.

Adults 18+ (45.3)

62.5% Download apps

The notable number for us is the 38.6% that download internet radio. We note for starters that almost all radio format groups exceed this level – Country is the lone exception – and some exceed it by a lot, particularly among younger-skewing formats. What it says to us is that the presence of an FM chip on mobile devices and compelling local content could pay off for broadcasters.

64.1% Games (1)

56.6% Weather (2)

54.4% Entertainment (3)

53.1% Social Nets (4)

39.4% Travel (5)

38.2% Utilities (7)

34.3% Finance (8)

34.1% Food (9)

29.6% Sports (10)

26.1% Retailer (11)

25.2% Newsstand (12)
23.7% Lifestyle (13)
21.6% Health/Fitness (14)
20.8% Business (15)
17.5% Education (16)
13.2% Medical (17)
Source: BIGinsight

Mobile traffic now accounts for 10% of the Internet. Up from 1% in late 2009.

Fact: a recent Nielsen study found that ads placed on mobile devices rank lowest among any kind of media when judged by consumers' trust. Just 26% say they trust text-message ads, and 27% trust mobile display ads-a rate that's even lower than for regular banners on the Internet (29%) and much lower than advertising in search (36%) or on television (46%). The main problem is that ads on such an intimate device are perceived differently from when seen on a TV screen or outdoor advertising screen," Christophe Cauvy, European head of digital and innovation at JWT, a WPP agency, told the *Financial Times*. "The screen size does not allow much nice, non-intrusive advertising." One growth area for online shopping that remains elusive, despite significant gains over the past 18 months, is location-based targeting. Facebook's attempt to steer "check-ins" to specific locations via its smartphone app has not led to significant users or ad dollars, and other check-in apps-such as Gowalla and Rumble-failed to break the "sound barrier" and subsequently folded. One location-based site that has survived is FourSquare, which claims 15 million users worldwide, but it largely is viewed as a "specialist" rather than a mainstream app.

Fact: Half of U.S. mobile users now have a smartphone, according to new data from Nielsen. The 49.7% of mobile subscribers with a smartphone as of February 2012 is up from 36% in the year-earlier period, reflecting a 38% increase. Underscoring that growth rate,

more than two-thirds who bought a new handset in the last three months chose a smartphone over a feature phone.

A recent eMarketer study found that purchase intent was 59% higher after consumers viewed an interactive ad on a tablet vs. the same print ad in a magazine.

Smartphone capabilities not yet utilized by many

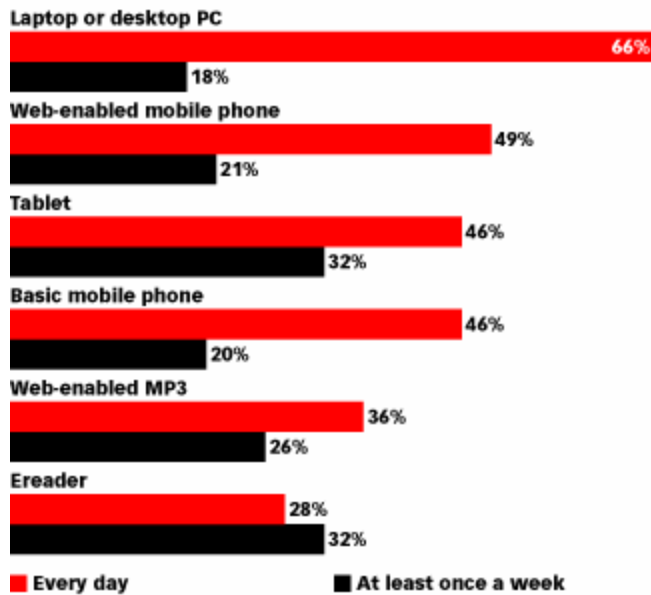
3/12 Conducting an online survey of some 2,056 American adults between Feb. 6 and Feb. 13, **Harris Interactive** found that:

- Only 5% of Americans said they've scanned their phone for admission to a movie or an airline ticket
- Fewer say they have done so to pay for clothing or electronics, admission to a live concert, live theater or performance (3%)
- A higher percentage (7%) had done so to pay for a convenience item, such as coffee, or something else

Two in five (40%) said they've never scanned their mobile or smartphone for any reason, while slightly more said they don't have a mobile or smartphone with this capability (45%). Echo Boomers aged 18-35 are most likely to have scanned their mobile phones for the items listed, though they're not doing so at "remarkable rates (between 5% and 10% for each item)," according to the online survey results.

Frequency with Which US Mobile Device Owners Multitask While Watching TV, by Device Type, July 2011

% of respondents



Source: Yahoo! and Razorfish, "Evolution of TV Multitasking" conducted by Ipsos, Nov 10, 2011

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www.eMarketer.com

According to Nielsen the majority of 25–34 and 18–24 year olds now own smartphones (64% and 53% respectively) and they have led in smartphone penetration compared to other age groups since 2009. (Over 70% Of Pandora's usage is on smartphones.)

Nielsen: 26 million smartphone subscribers viewed videos on their devices in Q3 2011, representing 62.5% growth from 16 million in Q3 2010. Meanwhile, the number of smartphone subscribers downloading applications has risen 53% year-over-year to 49 million, while 35 million are downloading games, up 83% from 19 million in Q3 2010. *Other fast-growing activities include streaming online music or mobile radio (up 66% to 29 million), full track music downloads (up 65% to 18 million), and online game playing (up 95% to 16 million).

More than 36 million computer tablets and e-readers were operating in the U.S. in 2011. Consumer end users accounted for nearly 60% of the users in 2011, but business end users will make up a larger majority by 2016

Results from Google's report indicate that the average age of a US smartphone user - is 38.6.

Mobile is still difficult to buy with many WAP sites an issue:

November 17, 2011: It's still far too difficult to buy mobile advertising online, and about 90% of ads on publisher sites never appear on a part of the mobile screen that consumers view without scrolling down the page, said Greg Stuart, Global CEO, Mobile Marketing Association, during opening remarks at the industry conference in Los Angeles.

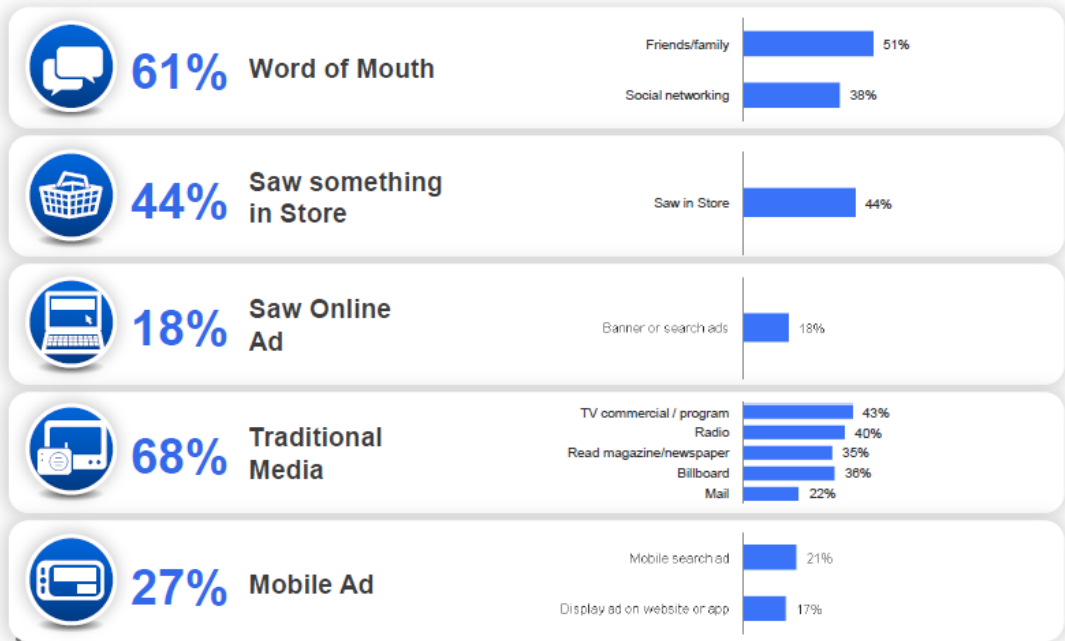
Click-based mobile advertising was another area of dissatisfaction, according to the survey conducted by the Relevancy Group and commissioned by mobile and online signup ad platform Pontiflex. It found that just over half (56 percent) of Fortune 500 marketers are dissatisfied with or don't use click-based mobile advertising. The survey said marketers wanted to invest more in mobile, due to its importance as a medium, but that three major aspects needed to be addressed: ROI needs to be improved (named by 73 percent); email subscribers should be increased (54 percent); and social communities have to be supported (53 percent).

Google conducted a study which showed that ***traditional media and radio are particularly effective in generating mobile searches***.

The study found that 68% of respondents cite traditional media as a cause for their mobile web searches. More specifically, 40% cite AM/FM radio. 43% mentioned TV. Paul Jacobs of Jacobs Media wrote that the study "reinforces the notion that a timely radio message can drive behavior – especially among consumers with mobile phones."

Cross Media Exposure Influences Mobile Search

Motivations for Mobile Search As a Result Of



thinkmobile
with Google

Source: The Mobile Movement Study, Google/Ipsos OTX MediaCT, Apr 2011
 Base: Smartphone Users Who Use Search (4902).
 Q. Have you ever used a search engine on your smartphone to find more information on something that you ...

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