



**The Role of  
Mobile Technology  
in the Media Mix**

**An IAB Europe  
White Paper**

June 2011

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## Introduction

Media planning and buying is in a state of flux now. The traditional medias are eroding, leading to small, highly fragmented audiences, while at the same time, marketing is demanding more and more specific data. Mobile internet can capitalize on both trends, delivering highly specific data on all sorts of customer profiles, ushering in a data of more precisely targeted advertisement.

The advantages of mobile technology are apparent: it is a new and emerging technology, one that can give the customer precise information at any time and any place, and it provides the brand with an immediate dialogue with the customer.

Vertical buying continues to be the prevailing trend in media, with content being sold off piecemeal to agencies. This practice is quite damaging to mobile media, which depends on other medias for full penetration. Mobile media as a stand-alone is nothing more than an also-ran, a case study for what to avoid.

Instead, mobile media needs to be part of a comprehensive, 360 degree package. Mobile media functions as a pull media, and as such, needs the support of traditional push medias -television, radio, and print- to function effectively.

If applied in concert with other medias, mobile technology has the potential to change and revolutionize the industry and reap great profits.

On behalf of IAB Europe Mobile Committee, I hope this publication will help advertisers and media agencies to understand the use and impact of mobile advertising campaigns.

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## Reasons Why Brands Must Adopt Mobile Marketing

### Survey Data

Recently, mobile marketing has received a lot of attention. Both types of mobile campaigns, B2B and B2C, are making major waves and generating revenue. However, the field has yet to come close to its full potential.

A recent consumer survey from ABI Research<sup>1</sup> in New York has found that over 27% of mobile phone users who log on to the internet have accessed a mobile banner ad or hyperlink. This is 6% greater than a similar study conducted by the same firm in 2008.

Furthermore, the survey found that daily use of mobile internet has increased by 12% since 2008. Today, 28% of customers claim to access the internet from their phones each day, compared to the previous study's 16%.

In addition, consumers' unenthusiastic attitudes about receiving promotions such as coupons and discounts on their cellular phones is fading. Around 45% of those polled say they would accept such

promotions as long as they had some control of the process. This verifies the current idea that consumers are more open to messages that they feel are targeted to them specifically, and shows a 9% positive change from the last survey.

Unfortunately, consumers' unease about safety while using their mobile phones for important purchases has also risen. Over three-quarters of respondents in the survey believe that security on mobile transactions is a problem, a 5% rise from the 2008 survey.

All of the buzz and hype surrounding mobile marketing is justified. As the numbers show, targeted mobile offerings are becoming more and more valuable to companies, and the trend is sure to continue on both B2B and B2C companies. With considerations to consumer tastes and preferences, mobile marketing can be decisive in raising business value and creating or reinforcing brand loyalty.



## Changing Consumption of Mobile Media

According to eMarketer<sup>2</sup>, there are over 85 million mobile Internet users in the just the United States, with a projected 100 million by 2012. This paradigm shift is prompted by smartphone penetration, and is expected to lead to mobile web access overtaking PC access by 2016.

According to a recent Nielsen survey<sup>3</sup>, e-mail access accounts for the majority of time spent on mobile internet use. However, there has been important growth in mobile video consumption, as well. EMarketer reports a 30 percent year-over-year growth rate, leading to nearly 24 million mobile video watchers in 2010. Similarly, Rhythm New Media<sup>4</sup> has reported a growth of 30% in monthly content viewing from quarter one to quarter two this year, which can be seen as either a massive upswing in viewership, or an over-conservative estimate by eMarketer. Most interestingly, Fierce Mobile<sup>5</sup> reports that Youtube logged over 100 million mobile video views per day in July 2010.

The trend, clearly, is growth in mobile web media consumption, and an untapped audience for retailers. Advertising spending on mobile/wireless reached over 1.1 billion in 2010, as shown by Fast Company<sup>6</sup>. Although the adds are from many sources, retail is generally one of the major factors, making exploitation of the media a necessity for competitiveness.

Retailers generally, have managed effective

### *Mobile Rich Media and Location Concept*

One major new tool is mobile rich media, which is revolutionizing the mobile playing field as drastically as the PC version did. Mobile rich media can introduce new KPIs and interaction nodes, and certainly allows all-new applications for interaction advertising, by creating completely

programs over a variety of key performance indicators (KPIs), ranging from opt-ins to purchases to driving store traffic and more. In February, it was reported by Insight Express<sup>7</sup> that online norms were outperformed by mobile norms by eight times in retail purchase intent. Basically, this suggests that the hundreds of mobile web Campaigns were eight times more effective at raising purchase intent than the thousands of PC web campaigns.

Insight Express' report was confirmed by both Forbes and RIM<sup>8</sup>, who recently published a study polling more than 300 high level execs at retailers. 17% of those polled said that the mobile programs exceeded their expectations for returns on their investments, while an additional 45% believed the programs to be satisfactory.

While mobile based payments and m-commerce are likely going to be major factors in retail's future, at the moment the industry needs to develop methods to make purchases over the mobile web easier, and also clear the hurdle of integrating mobile Point-of-Sale (POS). This interim period is being serviced by mobile advertising to push many objectives, including driving sales from click-to-call, retail promotions, and app downloads. These tools enable retailers to create long-term mobile strategies and build a relationship with their target customer base, instead of just pursuing immediate sales.

new ways for marketers and retailers to engage their consumers through gesturing, shaking, touching, location-based messaging or many other options. This gives retailers an entirely new creative toolbox to utilize and to capitalize on. This explains why the iAd charter program has

several retailers in it, and why mobile-rich media companies often see retailers as early clients. Early rich-media studies on the PC showed that if a retailer can attract a customer's attention and get them to begin the purchasing path via a targeted and non-intrusive ad, one that doesn't interrupt their online session, they are ultimately much more likely to purchase from that retailer, either on the spot or in the near future. The same sort of process is beginning to evolve on mobile rich media as well.

Another major concept in mobile media is location, which is spurred by the popularity of geo-social applications, such as Foursquare and many others. These programs are being adopted quickly by retailers, and pushing the growth of projects like Shopkick. The growth is still

unlimited; new companies like Placecast are giving retailers the ability to message opted-in customers as soon as they enter specific designated geographic regions, such as 4 kilometers from a real-world location. The implications of this technology and the opportunities it gives are absolutely immense.

Retail and mobile are becoming more and more co-dependent. Consumers are demanding both service and digital integration, which means mobile media is fast becoming the focus. With each new utility or entertainment option mobile media offers, the audience grows and changes fundamentally, offering an absolutely critical tool for tapping the market.



# Including and Optimizing Mobile in Media Plans

The advantages of the mobile media platform are the ability to provide precise information at any place and anytime, future emerging technological advances, and feedback between the consumer and the retailer. All of these advantages can have profound results for media planners, as long as they are used properly. Campaigns need to avoid copying PC techniques, and avoid the temptation to use traditional messages, which customers generally dislike. Instead, media planners should focus on adding content and value to products and utilizing new technologies in new ways to surpass other media channels.

**Key mobile marketing tools to be considered by media planners and ideas about where, how and why to use them:**

## Tool 1: On-phone advertising

Description	Standard online advertising formats transferred to mobile Banners/Buttons Idents / Interstitials Text Links Image and text Content sponsorship opportunities
Role in Media Plan	Highly targeted, relevant messaging Reach: Both mass market reach and highly targeted, through banners, text links, search, sponsorship etc.
Target Audience	Extremely personal medium Messages placed in relevant context with relevant functionality.
Implementation	Increasing number of sites and growing sophistication of the media Can be accurately planned and measured
Measurement	Mobile tracking will adopt standard internet mechanics: CPM / CPC / CPA

## Tool 2: Mobile Search

Description	The ability to search for content using SMS or mobile search engines that access the web.
Role in Media Plan	Allows precise targeting based on customer keywords to deliver cost effective response/action Search may also take into account the location of the user Important for the usability of mobile content for the same reasons as internet search engines became important to the usability of internet content.
Target Audience	Link direct from phone to service or application Mobile searches make sense when users need information tied to a particular place quickly—a movie theatre—or at a time when they are on the move.
Implementation	Optimise your WAP / mobile site Link direct from phone to service or application
Measurement	Search tracking will adopt similar as online search: CPC Cost per connect

## Tool 3: Location Based Services

Description	Information services that can be accessed through a mobile device and that make use of the geographic location of that device Opportunity to create or sponsor services
Role in Media Plan	Associate brand with helpful mobile tools and services





Target Audience	<p>These services respond to a basic human information need that is as old as graffiti and road signs</p> <p>To provide the answers to fundamental questions such as;</p> <p>“Where am I?”,</p> <p>“What is nearby?” or</p> <p>“How can I get to ...?”</p>
Implementation	<p>Based on location, users can get information on events (films, concerts, parties) and on places (city maps, restaurants, museums, hospitals).</p>
Measurement	<p>Mobile tracking will adopt standard internet mechanics:</p> <p>CPM</p> <p>CPC</p>

#### Tool 4: Mobile Enabled Outdoor

Description	<p>Opportunity to send additional information to consumer’s mobile following prompt from outdoor ad (SMS, Bluetooth and Infrared)</p>
Role in Media Plan	<p>Develop brand engagement; provide product information, digital samples (e.g. trailers, games, digital content) and ticketing vouchers</p>
Target Audience	<p>Audiences need to have time to engage with deeper brand experiences – places where consumers are waiting (e.g. bus stop) and are open to some form of distraction</p>
Implementation	<p>Think about locations for offers – proximity to theatres/stores where vouchers can be redeemed</p>
Measurement	<p>Bluetooth can track:</p> <p>Number of phones contacted</p> <p>Phones that opt-in to receive</p> <p>Phones that successfully receive download</p> <p>Furthermore redemption at point of sale (movie theatre) can be tracked.</p>

## Creating a Successful Cross-Media Mobile Campaign

Even the most innovative ideas and strategies cannot save an advertising campaign solely based in just one medium, and especially an emerging medium like mobile technology. Instead, successful companies harness synergy and use broad, multi-platform campaigns to increase brand loyalty and revenue.

For instance, AEG and Live Nation are beginning programs to capitalize on digital technology. These programs will utilize their digital display boards to aid customers in leaving their events. Other techniques utilizing PINs and coupons as rewards, coupled with mobile sweeps are planned to attract consumers to high-ROI events.

Coca-Cola has an inventive approach to PIN marketing<sup>9</sup>, doing away with any time limits on contests and giveaways. Instead, the mobile technology allows the customer to continuously activate rewards and gain account credit.

These approaches to mobile advertising are effective because they are both examples of digital and real-world synergy- always on and cross-platform media.

Mobile's strength is in its interactivity and pulling function. These attributes allow clients to engage in feedback loops with their customers, connecting areas of media that traditionally never interfaced.

These same attributes are in place for good mobile web design.

At some casual wear brands' sites, customers can have garment images sent to their phones as well as the nearest store locations, allowing the customer to find a location to try on the garment before they buy it.

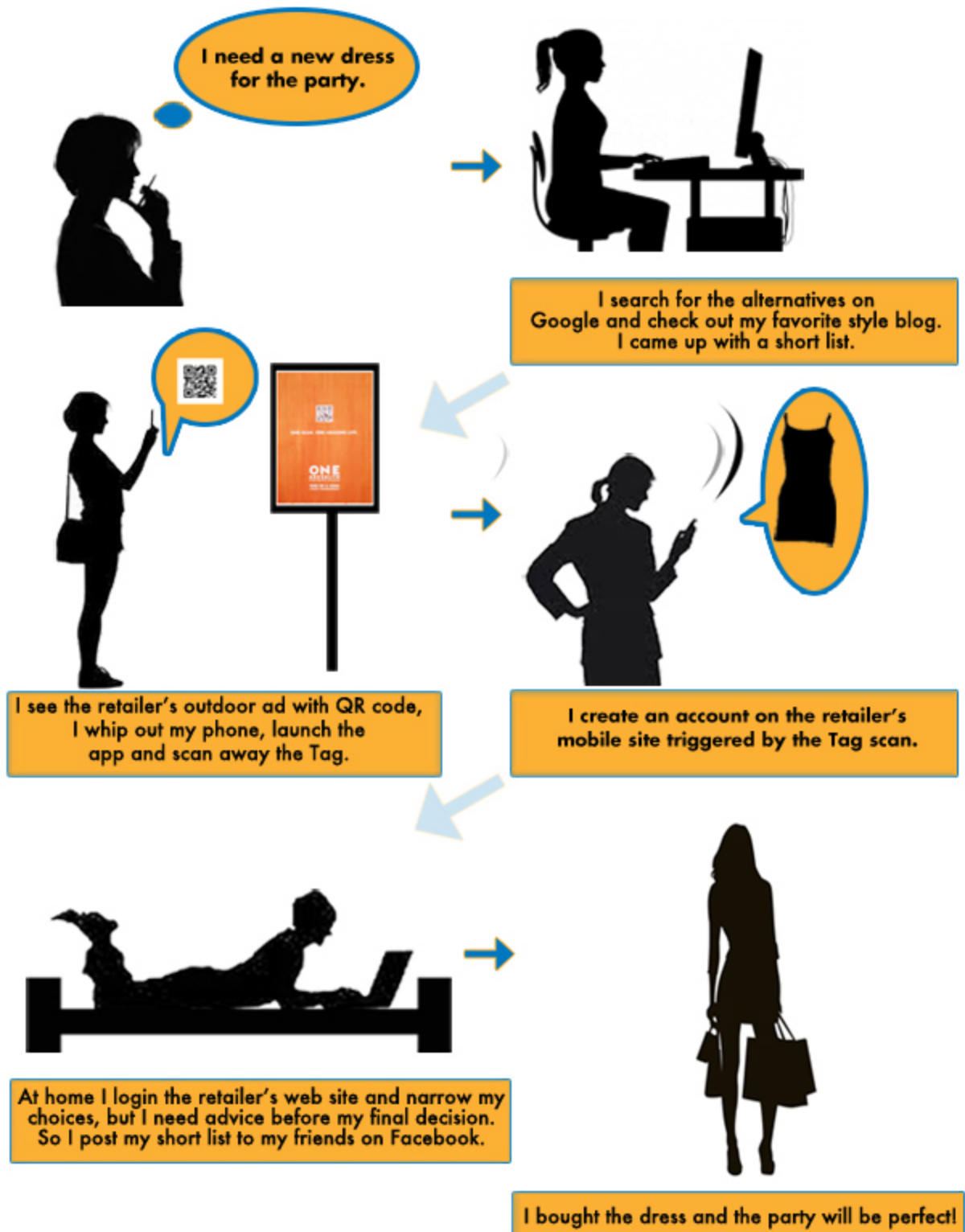
Similarly, on some department stores' mobile websites, customers interface with the store with a variety of tools, finding deals, stores, and even a wakeup call for early sales - all through SMS, creating a smooth transition from mobile to bricks-and-mortar.

More than half of all shoppers buying in bricks-and-mortars locations have used the internet at some point during their research process, according to a recent Forrester Research<sup>10</sup> consumer survey. Thus, customers are showing a clear interest in a cross-channel experience for themselves, highlighting the need for companies to adapt to new technology.

**Simply put, the customer's desires are outpacing the experiences the retailers are providing. Brands and retailers fail to create a seamless multichannel shopping experience.**



## An Example for Multi-Channel Shopping Experience



The diagram above shows the changing nature of shopping behavior due to mobile marketing techniques. Consumers today prefer their shopping experiences to be strongly non-linear and less straightforward than before. The technology to deliver this currently exists, but it is not embraced by any single retailer, which frustrates the multi-channel experience. Customers still must use several third-party websites, analog note-taking, due to lack of synergy between brick-and-mortar and the internet.

In the future, mobile media can change this by providing increased transparency to the customer, integrating systems, social networks, and the technology itself to satisfy customer needs more directly, by targeting current trends.

Mobile is one of the easiest ways to bridge the gap between channels, allowing customers to shift from a product on a billboard, to the internet, to eventually, at the store or at their homes.

In contrast to traditional media buying, which is vertical, mobile technology offers a horizontal solution, allowing a brand to

control all aspects of the purchasing and marketing processes, and allowing for necessary customer dialogue and accountability.

Mobile shifts the customer's focus from ads seamlessly into profitability; point of sale, online store, or giving the company valuable feedback. Those companies that fail to capitalize on mobile marketing as a major component of a multi-channel campaign will find themselves unable to compete with those that are, essentially, working with their customers 24 hours a day, even on-the-go.



## Key facts at-a-glance: How to optimize mobile in media plans

Mobile is much more than just a media channel. The unique qualities of mobile media should be understood and interpreted.

Content is king: games or video clips on mobile are short enough to be enjoyed quickly and then shared.

Mobile can activate other media channels, eg. Mobile can turn outdoor into an interactive media channel.

Utilize the mobile media inventory of cross platform media owners as part of overall negotiations.

Think beyond the click, consider 'click to call' as a return path.

Search campaigns should be extended into mobile search, while competition and conversion costs are lower.

3rd party tracking platforms should be utilized to track impressions served, if possible.

Target audience is core to media planning, understand it well before jumping to build apps.

## Appendix

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## About IAB Europe

**Our mission is to promote, protect and prove the value of the European digital advertising industry.**

IAB Europe exists to promote the growth of Europe's interactive advertising markets through events, partnerships and communications activity, to protect the interests of the industry through an active programme of public affairs and to prove the value of the market through research and education. The power of IAB Europe comes from its extensive membership at both country and corporate levels. Our national membership of 26 countries spans the entire continent - not only the mature markets of Western Europe, but also rapidly evolving markets including Croatia, Czech Republic, Romania, Russia, Slovakia and Ukraine. Our corporate membership includes advertisers, major media groups, publishers and portals, agencies, research companies and technology and service providers.

***The only body that truly represents the interests of the European digital and interactive advertising industry.***



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