

Who wins in the race for mobile ad space?



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As the telco world tips from 2G to 3G and the mobile, internet and media worlds converge, advertisers are poised to make a bold move into the mobile space to capitalize on the most personal communications channel ever invented. So what are they waiting for?

Scratch the surface of the new content ecosystem that supports the concept of mobile advertising and you may reveal the reasons for some initial hesitancy. Whilst nobody would deny the opportunity exists, the rules of engagement for mobile advertising are far from being etched in stone. Brands, agencies and media see mobile as an extension of their advertising reach, whereas operators view advertising as an extension of revenue potential. With a shared customer base to please, the two views need to find common commercial

ground to successfully move forward.

Each player brings unique value to the mobile advertising equation. Content providers have the creative goodies subscribers want (not to mention the brand kudos that subscribers trust already and have experience of in the online and 'real world') but without the operators offering a viable channel for multimedia, the content remains wholly unattainable. Weighing in on the operator offering is an often undervalued, but proven existing relationship with subscribers. They are already in their palms, hearts and minds – that's right, operators have brands too! What's more, they too have the trust – trusted billing agreements, trusted quality of service levels, trusted to keep their phones free of spam and dangerous data, trusted to keep them in the loop on what's new and also trusted to know them well enough to keep quiet. As the operator is already mother, best friend and concierge, successful mobile advertising promises to be less the new 'outdoor advertising', as a 21st Century spin on good old fashioned word-of-mouth.

And what of the technology? Can operators really deliver the goods, so to speak? The biggest challenge by far for operators is making multimedia work. It needs to be fast, relevant, highly targeted, mass-personalised, sufficiently affordable for subscribers and highly profitable for operators. The good news is yes, it can be all that. The bad news is that no, it can't be all that based on the current infrastructure. Operators always struggle with a Frankenstein syndrome when it comes to new services – the pressure to be profitable is so great, the thinking goes, they can increase profit by reducing infrastructure costs and the easiest way to do this is to try to make great new services out of a tired old network that isn't fit-for-purpose. More good news. Throw away old thinking about infrastructure costs, multiple licence fees and upgrades where volume and speed are sadistic profit killers. Think flat rate infrastructure costs. The tables have finally turned in the operators favour as there is a new commercial basis for making multimedia content profitable.

For advertisers, the expectations will be high. Operators need to do more than deliver the goods in a fast and timely manner and protect their brands in the delivery and QOS offered down the mobile infotainment channel. They need to prove ROI. They need to offer precision targeting – not just a broadcast blast to a vague demographic. They need to get deep into the underbelly of each subscriber and find out what makes them tick, not tick them off. The operators that can offer advertisers, media and brands the in-depth analysis of handset type (for prepay and post-pay subscribers), behavioural activity, viral tracking, subscription service preferences, black and white lists and roaming status, will quickly differentiate themselves as valuable business partners rather than 'dumb pipes'. This information for advertisers will deliver the ROI analytics that they need to justify spend in the mobile space and will greatly increase the value per message that is sent.

'Push' content represents the only multimedia content type that can be controlled, managed and delivered in this framework. Content over pull-based protocols such as WAP browsing and streaming are increasingly being offered as part of flat rate plans, drastically reducing the Operators upside revenues for successful new services that support mobile advertising. Clearly, operators stand to benefit from 'Push' but why should advertisers care if it's a push or pull service? In a word, personalisation. Mobile is the personal device; it demands personalisation. Early adopters in the mobile advertising space may be rushing to release the latest Java widget or WAP browser, but the long term success of mobile advertising will be the trusted whisper in the customer's ear rather than the flashy billboard in their hand.