

Mobile advertising: how operators can beat the competition

The mobile channel is a **powerful medium**, but it is also **highly sensitive**. By using anonymized profile data in a way that allows media buyers to plan and target their mobile advertising campaigns more effectively, operators have a solution that is ahead of the competition.

► **OPERATORS ARE** increasingly recognizing the value of their subscriber profile data. The challenge is to unlock that potential sensitively, taking into account consumer privacy implications. Historically, this information has been closely guarded to protect the rights of the individual mobile subscriber, and rightly so. However, more and more network operators are asking managed services providers how they can utilize the power of this information in the right way to offer more value to their subscribers and generate new revenue streams through advertising services.

We all recognize that the potential impact of mobile advertising is huge. Let's be honest – almost everyone that a brand promoter would want to talk to owns a mobile phone. The flip side of this powerful medium is the highly sensitive nature of the mobile channel. For marketers to improve brand perception in the palm of your hand, they have to get a lot of marketing success factors right.

Marketers have to make sure that the consumer is expecting to receive the advertising message, that the message adds value and that it is relevant. The source of the content has to be clear and the cost implications of engaging with that content must be communicated well.

A SECURE OPT-IN PROCESS

Large internet service providers are playing catch-up to build and present a profile picture of mobile phone users through their advertising campaign management tools. Operators are ahead of the game and can utilize their subscriber relationships through a secure opt-in process to present to advertisers a highly attractive database of individuals that are receptive to brand messages.

The opt-in is the clear consent given by consumers to receive brand messages. The guidelines for securing this consent are provided by industry associations and address all legal implications. Operators can ensure that data extraction and use is handled sensitively through adherence to industry association guidelines.

Legal advice is also provided by the law firm Bird and Bird in a global study on con-

sumer privacy and the implications for targeted digital advertising. (See article on page 48)

If the marketing success factors are adhered to, then mobile advertising can be the most engaging channel. With that in mind, we must always remember that mobile advertising is delivered in the most personal and sensitive medium.

Before forming an opinion on mobile advertising based on your own reaction to receiving a brand message on your mobile phone, it's worth remembering that you are probably not the target audience of many brands that want to use this channel. I have lost count of the number of times I have heard marketers say, "But I don't want to get an SMS message from that brand."

The point is that in many cases you are not the target market, and it is impossible for one individual to constitute a statistically significant sample.

Qualitative insight from Ericsson ConsumerLab confirms consumers' reactions to receiving advertising messages. It's true that the spontaneous reaction to the idea of receiving advertising on the mobile phone is often skeptical. However, once the context and relevance of the advertisement is communicated, ConsumerLab surveys indicate that the considered opinion from consumers is positive. (Source: *Global Advertising Study: Ericsson ConsumerLab 2009*)

By applying best practice, operators can leverage the power of their subscriber data to provide the ad-buying industry with the most effective solution.

KEEP IT SIMPLE

Ad-buying agencies on a local and global level tell us that they want to buy mobile advertising in a matter of clicks through their online tool. The goal of operators in this space is to make ad buying for mobile devices as simple as it is to buy ads for TV.

With the launch of cross-operator initiatives on metrics from industry associations such as the GSMA, the building blocks for mobile advertising are falling into place. It is likely that spending on mobile advertising will spike in the same way ad spending



did on the internet when metrics and campaign management tools were made widely available.

We have found that many of our operator customers need an intermediary managed service to ensure a long-term revenue stream from the ad business, so we have developed the tools and the methodology to make it happen. The clever bit is getting the data out and commercializing it.

When it comes to meeting the advertising needs of operators, it is important to apply a holistic approach that leverages the experience of a variety of skill centers that a managed service provider has.

Along the way to building this advertising proposition, we have (1) confirmed the consumer demand, (2) identified the best methodology for advertising and (3) secured the right way of extracting and managing profile information. This goes a long way to ensur-

ing that operators remain at the forefront of the growing advertising industry, and lead rather than follow. ●

AUTHOR



► **NICK WIGGIN** is Head of Advertising Strategy and Partnerships at Ericsson. Previously, he was Managing Director EMEA for Ansible, Interpublic Group's mobile advertising agency. He also was instrumental in launching Endemol Mobile, and managed his own mobile consultancy business. Wiggan has produced several reports on the evolution of mobile marketing and advertising. He served as chairman of the Mobile Marketing Association UK for two terms, and set up the mobile media and entertainment initiative at the GSM Association. He has a master's degree in European Business and a BSc degree with honors in Psychology.

(nick.wiggan@ericsson.com)