

## Editorial – The Promise of Mobile

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We all should be numb to speed. In 10 years, virtually the entire media ecosystem has changed and, with it, the way that consumers process advertising messages. The mandates have switched from talk to listen, from contact to conversation, and from trying to find customers to following them whatever they do.

The tools of engagement not only facilitate but also drive change. And nowhere is that drive happening any faster (or any more powerfully) than it is with the third screen—the handheld mobile devices that not only accompany users on all kinds of life's errands, but also puts a potential video stream in front of them 24/7.

comScore called 2008 "the year of the smartphone.... No longer restricted to business users, who wanted access to e-mail and stock quotes, smartphones became part of the popular culture. They took on fashionable form and slimmed down in bulk and price.... 2009 is expected to be another record-breaking year for the mobile internet. Mobile Internet population will continue to soar, making the mobile channel a more viable opportunity for advertisers and marketers."

It's this new kind of speed and the new kind of marketing environment that's the subject of a special mobile package (pp. 12–61) that's the heart of this issue. In "Next-Generation Mobile Marketing: How Young Consumers React to Bluetooth-Enabled Advertising" (p. 44), Sheena Leek and George Christodoulides of the Birmingham Business School start with some raw numbers: "Some have predicted that worldwide mobile advertising will surge from \$1.5 billion in 2007 to \$11 billion in 2011, driven by such factors as the declining cost of high-quality multimedia handsets and the steady rollout of high-speed networks. If those forecasts prove correct, mobile advertising will become the fastest growing promotional channel."

But beyond pure mobile play, write Leek and Christodoulides, new technologies will push the third screen even further and even more powerfully. "Bluetooth mobile technology," Leek and Christodoulides explain, "offers marketers a unique opportunity to reach people in location-specific areas with rich content, but without the cost and complexity of the mobile networks' SMS and multimedia message service (MMS) technology. Any user of a Bluetooth-enabled mobile device can instantly receive such rich content as video, graphics, text, sound, ringtones, wallpaper, and software."

It was just that capability that *The New York Times* cited in February 2009, when John Markoff wrote, "The cellphone is the world's most ubiquitous computer. The four billion cellphones in use around the globe carry personal information, provide access to the Web and are being used more and more to navigate the real world. And as cellphones change how we live, computer scientists say, they are also changing how we think about information.... It will change the way we behave, the way we think and the way we find our way around new neighborhoods. As researchers and businesses learn how to use all the information about a user's location that phones can provide, new privacy issues will emerge. You may use your phone to find friends and restaurants, but somebody else may be using your phone to find you and find out about you."

From the Universidad Autónoma in Madrid, Shintaro Okazaki observes that the most immediate impact of third-screen technology may be the way marketers reach out to younger customers (see "The Tactical Use of Mobile Marketing: How Adolescents' Social Networking Can Best Shape Brand Extensions," p. 12).

Citing a 2006 BBC study, Okazaki reports as many as 95 percent of British teenagers between 15 and 16 had their own phones. Additionally, in Norway, more than 85 percent of boys and girls 16 to 19 years of age use mobile devices to send short messages every day. In Japan, there's comparable cell-phone usage among the same age group, and one survey suggests that almost 92 percent view a message as soon as they receive it, compared to 68 percent of the general population.

The popularity of mobile connections and "the accelerating growth in mobile internet communications is giving rise to a new form of interactive marketing," Okazaki asserts. "The service is ubiquitous because it is unconstrained in time and space. This unique nature of the mobile internet has enabled consumers to transmit, gather, and retransmit product information via voice calls, email, an interactive messaging service, and a variety of any number of consumer-friendly mobile social-networking applications."

The idea of in-your-hand video is still relatively new: U.S. penetration of mobile-video consumption (5 percent) is the highest of the 12 markets tracked by Nielsen, which lists Canada, France, and Italy all at a 4 percent penetration level.

In its January 2009 "Tuned into the Phone: Mobile Video Use in the U.S. and Abroad" report, Nielsen also found:

- Mobile web video is the most popular form of mobile-video usage. Two-thirds of the Nielsen-sample mobile-video users report that they picked up their mobile video through mobile web.
- Though for mobile-video users skewing young, "we find an audience for mobile video content across the demographic spectrum."
- Seven out of 10 mobile-video viewers said they were satisfied with the medium's delivery.

- "Growth of the mobile-video audience could come from mobile Web-based video options, mobile DTV or an improved model of ad-subsidization around subscription mobile video."

Global business consultancy Booz & Co. reports that the response of marketers has been immediate and persuasive (see "The March of Mobile Marketing: New Chances for Consumer Companies, New Opportunities for Mobile Operators," p. 54): "New business models for mobile marketing are turning the mobile phone into a marketer-exclusive platform. Marketers can create mobile portals dedicated to their business or brand (giving their message exclusive airtime with their best customers), a choice of tailored handsets (to match the brand), preloaded applications that drive further contact with the brand, and any number of other developing technologies that drive home the exclusivity of the message...."

"Consumers have long recognized the convenience and comfort of mobile devices. And, at last, the barriers that limited mobile consumer experiences have been removed," a Booz & Co. team in Western Europe reports. "Of all the opportunities for marketing made available by new media, the mobile platform perhaps holds the most potential. Indeed, the use of mobile devices represents an unprecedented and unparalleled shift in how consumers use media. But the mobile channel's growth as a marketing and advertising vehicle has been so fast that some of the world's most sophisticated marketers have yet to determine how to fully embrace it—not for lack of desire, but for lack of experience."

In fact, although the mobile opportunity seems to present marketers with a new way to stay in touch with key consumers wherever they go, the novelty of the medium does present some practical problems. The Interactive Advertising Bureau, in "The New Unwired World: An IAB Status Report on Mobile Advertising" that begins on p. 27, writes, "One set of technical challenges facing mobile pioneers relate to fragmentation of various sorts. The mobile audience is fragmented across multiple platforms, with multiple sellers, multiple carrier networks, multiple devices, and multiple business models, all of which hinder consistency of execution."

Of course, there never can be too much information. And, in fact, the density of data driven by mobile technology presents a new opportunity for researchers to take on a critical role as the focus continues to move from talk to listen, from contact to conversation, and from trying to find customers to following them whatever they do. As Joel Rubinson, chief research officer for the Advertising Research Foundation, observes in a new quarterly column that makes its debut in this issue (see "The New Marketing Research Imperative: It's about Learning," p. 7), "Research is the best choice to be the Single Point of Contact (SPOC) for understanding and anticipating the human— bringing the consumer/customer/shopper, the complete human, to life in the boardroom to inspire marketing strategy and action."

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