

Special Advertising Section

Marketing Goes Mobile

By Randi Schmelzer

Your mobile phone: It's practically fused to your palm. Aside from your house keys, it's the one thing you couldn't imagine leaving home without.

Now, as TV network executives and ad buyers gather for the upfront, your mobile device will become a strategic component in their emerging-media marketing discussions.

"I think that mobile is going to become increasingly important: It's not a question of 'if' it will, but a question of 'when,'" says Steve Ronson, executive vice president, Enterprises, A&E Television Networks. "In terms of the upfront, mobile appears to be in the experimental days. Our customer base is very interested in convergent media, and beginning to buy more of it. Mobile is now becoming part of their appetite."

In the past year, A&E has launched both ad-supported and paid-content mobile initiatives to increase the viewership of series including "The Sopranos"

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and "Dog The Bounty Hunter." Though these mobile-leveraging efforts are still in their early days, Ronson says, "the immediate benefit we see is that it's another screen for consumers."

A&E is not alone in its experimentation. Cable and broadcast networks from Fox, ABC and NBC to CNN, ESPN, USA and the Cartoon Network have made significant

forays into the mobile-marketing environment. While mobile is still only a small piece of the media pie compared to traditional television, it's positioned to become ever more important: With a 76% penetration rate in the U.S., according to Jupiter Research, cell phones are nearly ubiquitous, providing marketers with an exceptionally personalized platform for targeting consumers. Jupiter estimates total ad spending on mobile text messaging and display ads alone will grow from \$1.4 billion in 2006 to \$2.9 billion by 2011. Carriers, marketers and networks must establish new business models to profit from the growth.

A Trend in the Making

"The migration out of traditional television has been happening over the past few years, and the networks have been smartly addressing this trend," says Bill Cella, vice chairman of Interpublic Group-owned ad agency Draftfcb. "It hasn't been a huge migration, it's actually been gradual. As a result, the advertisers and the networks have been able to take advantage of a learning process to see what connects with consumers."

Cella notes that though lessons have been varied, "certain types of clients" are spending more money on mobile advertising, especially "younger-targeted brands" such as "movie studios, apparel and footwear... I think this is the tip of the iceberg, frankly," he says.

"We've gone from 'Let's just try this out with some discretionary funds' in 2005 and early 2006 to 'We're going to include this as part of our mix' in 2006 and 2007," says Jeff Janer, chief marketing officer at Boston-based wireless marketing technology firm Third Screen Media. "And I think come 2008, largely because of the whole carrier situation, you're going to see a lot more visibility of the advertising."

Third Screen has helped brands including Quaker State, Cisco and Burger King incorporate mobile Web sites into their integrated ad campaigns. Janer says that several similarities stand out among truly successful efforts. One key point: Interaction with consumers must be on an opt-in basis.

"Where we play is all pull-based, the antithesis of spam," Janer explains. "If you don't want it, don't ask for it."

At Publicis Groupe-owned media agency Starcom USA, too, executives are finding that some clients are keen to incorporate mobile efforts to achieve outreach goals.

Though marketing via mobile video remains a discipline in development — much dependent on still-emerging technology — other opportunities are more widespread, says Angela Steele, Starcom USA's mobile activation director. "Some network partners have already taken advantage of other types of mobile offerings such as viral voicemail messages, ringtones and downloads," she says.

Steele notes that for advertisers, mobile marketing "offers the opportunity to really get involved with the consumer, and really have that deeper level of engagement." But she's also quick to add that as in all media, ROI and supportable measurement techniques are critical.

"The drum that we're constantly beating is accountability," Steele says. "We're starting to see opportunities evolve, but one thing we need to understand is how effective our mobile opportunities are."

As mobile video becomes more prevalent, advertisers must also experiment with marketing opportunities beyond WAP sites and text messaging, says Hamet Watt, founder of Los Angeles-based product-placement technology firm NextMedium.

"The marketers need to think about how branded integration fits into their media mix," especially "in an age where technology is changing the way viewers consume traditional media," Watt says. "In-content marketing opportunities obviously live regardless of where that content is being digested."

There are other challenges still to be addressed, acknowledges Laura Marriott,

executive director of the Boulder, Colo.-based Mobile Marketing Association. But with the creation of consistent industry guidelines — and the introduction of less expensive handsets that support more advanced services — mobile adoption rates should continue to grow exponentially.

"Now more than ever we're starting to see brand marketers allocate toward mobile; marketers are really beginning to understand the value of the mobile channel and the engagement they're able to establish with the consumer," Marriott says. "Overall, there's a lot of energy and excitement around it."

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Bruce A. Braun, president of Sausalito, Calif.-based new media firm Bridge Sales & Marketing, agrees.

"Mobile content is rapidly evolving every day," he says. Match that with the "amazing amount of information [carriers have] about the average consumer," as well as ongoing technological advancements in the mobile-device market, Braun says, and the potential for marketers is enormous.

"How many people watch the Super Bowl — 140 million? But that's a one-time event," Braun explains. "Verizon and AT&T Mobile have 120 million subscribers using their services every day. So if you're a national advertiser and you want to instantly get your message to 120 million people, what does that say about the potential efficiency of the mobile marketplace versus the television marketplace? It's huge."

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