

Mobile Users Welcome The Ads They Ask For

September 11, 2006

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A 15-year-old is walking down the street, pecking away at a text message with his Web-enabled cell phone. He and his friends decide to grab a quick bite, but where to go? The teen quickly logs onto bk.com via his cell, and with the press of a button, he's presented a short list of the nearest Burger King locations.

Given the choice—as opposed to being bombarded by unwanted ads—he's willing to engage one of the latest marketing devices deployed by the fast-food giant. BK's mobile Web banner displays, which ran in April and May and served up coupons and directions to nearby restaurants, earned the client click-through rates 10 times that of the average Internet banner ad.

This is just one of the latest twists in opt-in messaging being deployed by marketers to mobile marketing platforms. Anxious to avoid alienating consumers in the same way overzealous Web advertisers did before it, the mobile industry is trying to be less intrusive. The result is a boomlet of services that allow consumers to opt in and fall on the safe side of privacy issues—unlike "push" marketing, which intrudes on the mobile device user without being invited.

The non-intrusive nature of BK's ads and the fact that they led users to information they could act on was fundamental to the campaign's success, said Gillian Smith, BK's senior director, media and interactive. "There are a lot of consumers who are choosing to get information on the go," she said.

And although display ads like BK's still dominate mobile [advertising](#), search and direct response are applications that are seeing the first glimmers of success in a device so intimate it may as well be an internal organ. "Brands that benefit from intent-driven consumers are scoring big here," said Eric Bader, svp, director of digital connections, Mediavest.

With \$150 million in play (per research firm Ovum) and 218 million wireless subscribers (per CTIA-The Wireless Association), the emerging stakes of U.S. mobile marketing have industry contenders falling over themselves to get things right. EMarketer projects U.S. mobile ad spending will reach \$434 million to \$760 million in 2009.

Search specialist GPSopper has rolled out an opt-in service that lets users know where they can find a particular product they are looking for. "The likelihood that a person will walk into the store is very high since you're sending them an alert for something they've signed up for," said CEO Alex Muller. GPSopper rolled out its application this spring. It has 50,000 users and is growing by 30 percent per month, Muller reported.

Like GPSopper, Earthcomber uses location-aware technology to drive mobile search. The two-year-old service enables footloose consumers to chart their whereabouts and seek out nearby venues and services. Its latest version, released two weeks ago, lets users wirelessly receive maps and useful info "over-the-air" for the 2.5 million locations in its database. Again, users opt in by downloading free software to their devices and can customize "Look Lists" with "their personal DNA of interests and brands," said CEO Jim Brady. Messages from requested marketers pop up on Earthcomber's digital map as the user nears a related venue.

That mobile is a personal technology in need of personalized solutions is a mandate Earthcomber takes seriously. Putting banner ads on mobile phones "is like taking someone from rehab and driving them right down crack alley," Brady said. "Banner ads invading a two-inch screen are a lazy old habit."

"Mobile is a whole new medium, and who will be successful will be determined by who will convert their advertising to true service," he added. "That's advertising as desired content."

Also in the works is a startup called Zoove Corp., which has an application of the same name that allows users to input

a code they see on billboards or print ads of participating advertisers that will yield them more information about a product or service. Together with the Mobile Marketing Association, Havas media agency MPG tested Zoove's user-initiated service in May and found it "easier than having to remember an 800 number" or send a text message, said Nina Kanter, vp, director of communications analysis, MPG.

Alan Kuritsky, CMO of Direct Marketing Association, believes permission-based solutions that complement impulse-buying behavior stroke both users and sellers. "The consumer gets a call to action, and they put in something of their own," he said.

Like many independent third-party vendors, Earthcomber is considering an alliance with one or more carriers.

For their part, carriers worry that customers will buck at unsolicited advertising, and those consumers are the ones footing the monthly bill. The question that preoccupies Sprint director of data planning and programming John Styers is, "Where on the continuum does the consumer feel [mobile marketing and commerce] are intrusive versus they're getting added value to their life?"

That's where targeting comes into play. Yet, in an industry where carriers own consumer data, brand marketers and vendors are limited in "delivering something valuable based on a consumer's activity," said Linda Barabee, senior analyst, wireless and mobile services YankeeGroup. She said the challenge for carriers is, "How do you potentially monetize something that you have to carefully implement without creating something that's untenable for a consumer who's paying for time?"

Several carriers are currently testing ad-supported payment options, and there are indications that consumers may be more open to advertising if they get a break on fees.

It's one of many riddles to crack in the fledgling mobile business, where the device itself presents a challenge. For example, wrestling with a host of mobile applications may be too complicated for some. "Because the mobile phone is a very small device that's tough to navigate, it's just really awkward to shift through all those applications," said Dean Kakridas, vp of market development for Norway-based multiplatform browser Opera, who is betting consumers will prefer "one Internet" for desktop and mobile.

Bader sees it differently. "We're not going to use the device to do research for our homework," he said. For him, the holy grail will be transacting mobile commerce. But first, he concedes, we'll have to clear a few hurdles: metrics, systems integration, carrier fragmentation, financial maturity and consumer trust levels, to name a few.