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General mobilization

The future of advertising will be mobile, get used to it *by Sidra Tariq*

It is in your hand when you're walking across the street. It is on your desk when you are typing an email to a client. It's on your bedside table (if not bed) when you're sleeping. A mobile phone is a constant companion. And with Web and social media access available, it has pronounced connectivity and engagement.

People send that urgent email to a client while walking to their car, write on their friend's Facebook wall while picking up coffee from Starbucks, post a picture of their new haircut from the salon, or tweet about how "awful" a movie is just 20 minutes into the film.

When such a channel is available – one that stays closest to a consumer and is probably looked at more than the number of times we say "I" – marketers are not far away from tapping into it.

Mobile phone use is prevalent in the Middle East. According to telecom services provider Ericsson's November 2011 Traffic and Market Data report, the Middle East has a 96 percent mobile penetration rate. Clearly, one of the highest in the world. Smartphone sales penetration in the region is also expected to increase to 28.8 percent of total handsets by 2015, compared to 13.8 percent by the end of 2009, according to consulting firm Value Partners' report.

Where there is extensive reach and engagement, advertising follows. And it seems like consumers in the region are receptive to mobile advertising to some extent. Global mobile ad network InMobi, which opened its Middle East office in Dubai last year, recently conducted research with Internet marketing research company comScore to gauge consumers' views of mobile advertising.

Rob Jonas, vice president and managing director for Europe and the Middle East at InMobi, says the Consumer Mobile Ad Effectiveness Study's "number one finding was that the Middle East scored way higher than every other region in the world in consumer acceptance of mobile advertising." Approximately 74 percent of respondents in the region said they were either very comfortable or somewhat comfortable with mobile advertising, while the global average was 68 percent, he says.

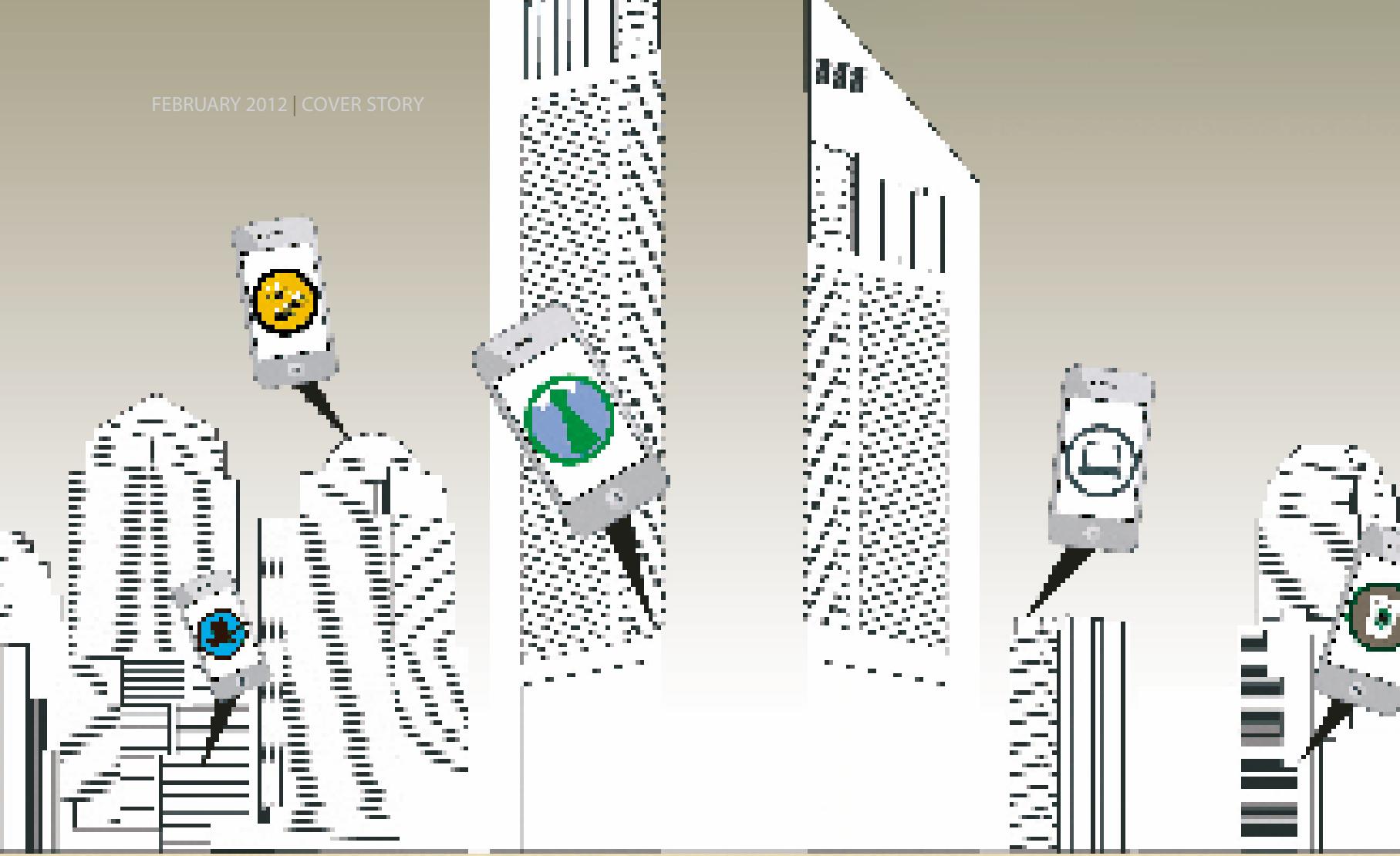
However, consumer receptivity to mobile advertising was not the only thing that drove InMobi to the region: "When we look at assessing all the different markets we are operating in, we look at a whole range of different kind of metrics: population, GDP, advertising economy, penetration of smart phones and penetration of mobile phones, and some other key metrics. In a lot of those, the

Middle East [scores] highly, especially Gulf states. So, if you marry a very mobile savvy and friendly marketplace with [reasonably] robust...and a very quickly growing advertising economy, and the fact that advertisers and agencies around the world are very interested in reaching the audiences in the Middle East, it certainly becomes a very interesting market for us," says Jonas.

The launch of Plus7 by digital media company Clique Media further signals the potential interest in mobile advertising. Clique introduced the mobile ad network in December, with an added focus on mobilizing and monetizing content from regional – especially Arabic – publishers and local app-developers.

CHANGING TIMES. Up until a few years ago, mobile advertising was all about SMS marketing. You'd get a message from a brand informing you about a clearance or chance to win a car when you spend 500 dirhams or more on items. We still have those, but nowadays mobile advertising is much more than that.

The rise of smart phones, web-enabled devices and tablets gave a push to options such as display ads, rich media and, of course, apps. ▶



You can see a banner ad on a mobile website you access, an ad listing on a search engine such as Google, an ad in a mobile application that you have downloaded, and even a fully-fledged app that is owned by a brand.

Gradually, clients are finding reasons to use these ways of delivering a message to the consumers. The targeting possibilities mobile offers is one of them. Clients can target consumers according to the mobile operator they use, the type of device they own (e.g. iPhone, BlackBerry or Nokia) and so on. Speaking at 2011's Gulf Information Technology Exhibition (GITEX), Google's regional manager for Gulf, Mohamad Mourad, added a few more to the list: people's interests – for example, you can choose to target consumers who access news and information sites on their phones, or you can choose to run your ads before news videos online; the use of 3G technology or Wi-Fi – "maybe when they are on Wi-Fi they are at home, they are more likely to engage. Or maybe if you have rich media ads, you don't want them to consume a lot of bandwidth, so you only target Wi-Fi [users]," says Mourad.

Julia Nicholls, group digital director MENA, Carat, says that mobile targeting options are budget-friendly. "From a media's perspective, we can reduce the waste of the budget because we are specifically targeting that person and that behavior."

LONG ROAD AHEAD. As attractive as mobile's reach and targeting options may sound, it's still not a widely used form of advertising. The me-

dium accounts for an extremely small share of ad spend in the region. Despite the hype of the Internet and "social media revolutions," digital has only been able to get less than 3 percent of regional spend over the years, so mobile clearly has a long way to go.

Nicholls says that clients are still in the learning phases. Handset manufacturer Nokia is the media agency's only client that has been relatively active in mobile advertising, she says. "For a client like Nokia, [mobile spend] is increasing rapidly because they are saying it is a channel where they can speak directly to their target audience who already have Nokia phones. And then they can message iPhone or Android users in a different way. But for other clients it is obviously very low."

"We still have challenges in educating [our other clients] about digital...[Perhaps] we'll leapfrog to mobile with those particular clients, because they're seeing such a rapid growth in the numbers and that's across multiple generations; the numbers just cannot be ignored now. So it's just about educating clients on how they use it, and also how they have it as a platform, because while we can have the reach and advertising, they also need [some types of] mobile apps or websites [for] content. And content for mobiles is very different from online content."

"There are challenges around that as well," she adds. When going for a mobile ad or campaign, clients are often advised to have a functional mobile website or an app where consumers can get linked for information once they click on an ad.



ROB JONAS. Vice President and managing director for Europe and Middle East at InMobi



"We are yet to do any kind of big mobile activity for any of our clients. We've put some plans in for 2012 for Philips and Kellogg's, but nothing that's been active so far," says Nicholls, adding that the plans cannot be revealed at the moment.

While we are not seeing much mobile ad activity in the region, there does seem to be a demand among marketers. InMobi's Jonas says that during Q3 2011, "we had close to 5 billion ad requests running through our network in the Middle East." "The top three devices on our network in the Middle East are the iPod touch, the iPhone, and the iPad," he adds. "Nokia has the largest market share in terms of ad requests, page impressions, and that's really because they've still got close to 60 or 70 percent market share across the region broadly. But Apple and Android are growing at a very fast rate."

"Heavy smartphone usage in many Middle Eastern markets drove the 26 percent increase in impressions delivered for [the June-August 2011] quarter [for InMobi], most notably in the UAE, which experienced the largest growth in that quarter. Saudi Arabia remains the largest market for mobile advertising in the region," he adds.

Jonas says all sectors are slowly considering mobile as a viable part of the marketing mix. Automotives have been relatively active and FMCGs, along with the finance sector, are also starting to realize the extent of reach mobile advertising can give them. "Globally what we see [is] the early adopters are usually around consumer electronics, so unsurprisingly phone manufacturers are very interested in advertising on mobile phones and they have been very important," he says. Mourad

agrees that even regionally, the IT and technology sectors are most active on mobile. "Nokia and Samsung are actually among our biggest mobile advertisers," he tells *Communicate*.

WHAT'S IN. SMS is still a popular form of mobile advertising among marketers and is being widely used. The concept of intrusion is also being dealt with, with the influence of permission-based marketing. Some telco operators have introduced "opt-in" models, where consumers can agree to receive "relevant" messages and offers from brands. UAE telco Etisalat, for example, partnered with Alcatel-Lucent in 2010 to launch a permission-based mobile advertising service.

As far as InMobi is concerned, Jonas says "the majority of activity is around the display format and the complexity that is re-driven by the advertiser and their agency and the type of devices that are in the marketplace."

He adds that as iOS (Apple's mobile operating system) and Android devices become more popular in the region, rich media formats are going to become more and more effective. "Increasingly we are seeing more and more brand advertisers who are extending their cross-platform campaigns onto mobile and are creating immersive ads using HTML5 [an Internet code which makes it easier to embed text, videos and graphics in Webpages]; these sophisticated ad formats will help to stimulate and grow the mobile market, and will drive increased consumer engagement and propensity to interact with mobile advertising."

Citing InMobi network data, Jonas adds, "While mobile web display advertising continues to make



JULIA NICHOLLS.
Group digital director MENA, Carat



up about 73 percent of impressions delivered in the Middle East, in-app advertising impressions grew by 19 percent [in the June to August 2011 quarter], as smartphone and tablet adoption rises and increasing numbers of consumers begin to use apps."

Mourad says that click-to-download, where consumers are directed to a brand's app in an app store when they click on a mobile ad, is among the most popular tools in the region.

There is interest in mobile search as well, but it is attracting "very low volumes," according to Nicholls.

APP WORLD. Millions of apps are downloaded every day the world over, presenting another avenue for mobile advertising. In the region and abroad, marketers are on the lookout for insight into consumers' app behaviors so they can make their ads more targeted.

Late last year, Clique Media's founding partner and director, Sagar Shetty, announced results of a Plus7 app usage study it conducted in the GCC and Egypt among 4,800 respondents. It was targeted toward consumers with connected devices and an active Internet connection.

According to activities listed in the survey questionnaire, accessing news and information websites/apps was the most popular activity on the mobile Web among respondents (53.8 percent), followed by email (42 percent), social networking (39.7 percent) and gaming (33.2 percent).

The study also revealed that a majority of the apps downloaded by the respondents were free, showing that the region is still not as comfort-

able with paid apps as some other markets. More than 68.28 percent of the respondents had never bought an app, while only 6.38 percent bought more than 10.

What drives people to download these apps? According to the study, seeing it in the app store is the main driver. Friends' recommendations are the second influencer (29.64 percent) while only 26.64 percent followed through online ads.

Meanwhile, a study by research firm Real Opinions last year found that communication apps such as WhatsApp and Skype were most popular among the 2,950 MENA smart phone users surveyed, followed by photography, social networking, maps and navigation, and music apps. Free apps seem popular among this study's respondents too as more than half (58 percent) said they were willing to be exposed to in-app ads and trade usage data if an app was free.

Over the years, we have seen brands around the world developing apps for consumers as another point of contact. In some cases, brands see it as a cheaper alternative to developing websites.

Jonas says that this is a good time for app developers in the region: "Based on the data that we see very regularly, the mobile app economy in this region is growing at a phenomenal rate, and it may be one way in which the region starts to address the issue around having local content and local applications and experiences for local users."

"Here you've got a very strong app economy built around the Nokia Ovi Store, and increasingly around iOS and Android as well," he adds.

A number of brands in the region have launched apps recently. Yahoo Middle East, for example, introduced a Ramadan app last year which gave



MOHAMAD MOURAD.
Regional manager for Gulf, Google



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access to family, health and religion-related content from Yahoo Maktoob's dedicated Ramadan website.

Apps can really come in handy, but Nicholls advises against developing an app just for "the sake of doing one." Clients should have a solid reason and purpose for developing an app. The most important thing is that the app should serve some sort of function for the consumers, she says, adding that content is key: "For example, the Adidas miCoach app is obviously very functional. It's very useful and has that longevity." The app works as a personal trainer, giving users a way to set up an exercise regime and achieve fitness goals. The Kellogg's Special K challenge mobile app is another example, which, among other things, helps users track their progress in achieving the targeted weight loss they had set for themselves.

Moreover, it is essential for brands to do their homework before developing an app and do some testing: "Does it add value? What are the consumers going to think? How are they going to use it? Are they going to use it for like 15 seconds and never use it again? Are they going to recommend it?" asks Nicholls.

App use is considerable on tablets – which are also an important piece of the mobile advertising puzzle. The likes of the iPad, Galaxy Tab and BlackBerry PlayBook are in much demand these days. According to the Real Opinions' study, 45 percent of smartphone users or those likely to get one, owned a tablet, while 40 percent planned to buy one. On the other hand, 16 percent did not intend to buy a tablet, while only 5 percent said they owned one but rarely used it.

Jonas says the interactive experience that tablets offer is going to make it even more appealing for

advertisers: "When you are interacting with advertising on your PC, you are not touching the screen, you are not picking the screen up and moving it around and things like that." That experience is available on tablets, which are eyed as a useful platform for rich media ads.

WHEREVER YOU ARE. In 2010's October issue, *Communicate* talked about location-based marketing being pronounced with services such as Foursquare and Facebook Places. Not much has happened since then.

The concept of geo-targeting advertising messages to consumers always sounds like a great plan, but very few have followed through with execution.

"[Location-based advertising] is still in its infancy for sure," says Carat's Nicholls. "I think the onus is on us to push the boundary, and with the operators...for them to understand what data they have available and how to use it."

In the UAE, for instance, "Etisalat and du have signed up with (providers of mobile marketing and advertising technology such as) Velti. Those people [are] coming in from the Western region to manage this for them. Also, the likes of AdMob and Google are now representing that properly in the region. They deal with people that have the know-how to do this, and they have the reach. So I don't think it is too far away."

For InMobi's Jonas, location-based advertising is a broad topic. It's more than getting a notification about a promotion from Marks & Spencer when you're passing by the store. "To a certain extent we do location-based advertising because when you run an advertising campaign with us, the first

thing you do is select the country or the region you are targeting. So, if you are an advertiser [who comes to us and says], 'I want to target users in the UAE,' that's location-based advertising. You are targeting the audience based on where they are.

"The other thing on location-based advertising is we are really led by what advertisers and agencies want to do in order to reach their users... What advertisers really want to do is target major metropolitan areas as a proxy for certain audiences, or because they want to sell a product or service to that level of geographic [reach]...Broadly, advertisers who want to reach users based on their location, generally think about major cities," he says. "That will become more sophisticated."

CATALYST. Mobile is often perceived as most effective when part of a wider campaign involving other channels such as TV, print and digital.

"We generally say that it should be part of a campaign," says Nicholls. "Mobile should be looked at in two different ways: One is the enabler – that's when mobile is at the heart of the campaign. It's the trigger or call-to-action to every piece of communication or every touch-point. But you'll also have the opportunity to use it as mass media when it comes to networks, where you can buy on cost-per-click [and are] trying to get traffic to your [mobile website] or your app."

Some marketers are starting to include QR (quick response) codes in their ads and marketing literature. These are the barcode-like impressions, which consumers can take a photo of from their mobile phones, scan with a QR code scanner and be re-directed to more information about a product/service or some form of action. A recent campaign where QR codes were used was the launch of music website music-master.com. Ads featured portraits of regular people made up of codes, which consumers could scan from their phones to download the featured person's favorite music.

PLANNING. So this is an exciting time for mobile. "Mobile, in terms of smart phone growth, is pretty significant, and the number of good applications is increasing. I think it will probably be...a main space to look for most of our clients, maybe towards the end of [2012]," says Nicholls.

One of the most significant roles in the mobile advertising ecosystem will be played by telcos. They're sitting on the treasure of user information and usage data which can make targeting much easier and help give a boost to mobile advertising.

Consumers nowadays are looking for more control over the types of messages they are exposed to. They are not really opposed to advertising messages as long as they are relevant. This is where the importance of targeting and permission-based advertising gets emphasized.

A mobile phone is a very personal device and is often used for instantaneous results, so for marketers, being the source of an intrusion is not a good position to be in.