Mobile Advertising and Marketing

Mobile Advertising and Marketing is the fifth consecutive report analysing the rise of mobile advertising on the global market.

This strategic research report from Berg Insight provides you with 160 pages of unique business intelligence and expert commentary on which to base your business decisions.

*This report will allow you to:*

- **Identify** tomorrow’s most profitable advertising opportunities in the mobile space.
- **Understand** the fundamentals of the ad-based mobile media revenue models.
- **Recognise** the key enablers of growth in the mobile advertising market.
- **Comprehend** the relative importance of digital channels compared to other advertising media.
- **Learn** about the experiences of mobile marketing campaigns by top global brands.
- **Profit** from valuable insights about ad-funded business models for mobile operators.

Berg Insight’s VAS Research Series

What are the key business opportunities for value added services in the mobile industry? Berg Insight’s VAS Research Series is a unique series of analytical industry reports. Each title offers detailed analysis of current hot topics such as mobile apps, mobile Internet, mobile TV, mobile broadband or mobile marketing. We put mobile VAS into a greater perspective, offering a realistic approach and accurate forecasts.

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The mobile channel is joining mainstream media

There are close to 6 billion active mobile subscriptions across the globe, which can be compared with about 2 billion Internet users. This underpins the vast potential of the mobile channel for advertising and marketing, being highly important for brands seeking to engage in communication with present and potential customers. Berg Insight estimates that the total value of the global mobile marketing and advertising market was €2.61 billion in 2010, having experienced healthy growth throughout the financial crisis and the following recuperation. Growing at a compound annual growth rate of 36.9 percent, the market is forecasted to be worth €17.2 billion in 2016 – corresponding to 15.2 percent of the total digital advertising market. Mobile advertising is at the same time predicted to account for 3.8 percent of the total global ad spend for all media.

The mobile media has several especially interesting attributes from a marketing perspective. First of all most people have a mobile handset, making reach unmatched. Mobile handsets and networks are also getting increasingly advanced, making it possible to deliver highly compelling advertising experiences, incorporating rich media, video and interactive content. Even more importantly, handsets are extremely personal devices which people tend to always have within reach and most often switched on. This enables marketing possibilities which other channels lack. Consumers can be reached at all times and in all places, which makes the channel stand out of the crowd. The personal nature of the devices makes it possible to deliver messages which are highly relevant for the recipient, taking into consideration demographics, interests, habits and other preferences. Communication having undergone such screening is bound to be much more effective in portraying a brand positively. The ROI of such initiatives can be substantially better than for intrusive campaigns. Exposure through multiple channels, digital as well as traditional, has proven to generate better outcomes than when channels are used in isolation. This is especially true for the mobile media, being relatively new and therefore bound to benefit from the viral effects created by campaigns spanning several media and generating attention across the population of potential customers.

Numerous actors are engaging in activities related to mobile marketing, including large players from the digital industry. Google and Apple, with the AdMob and iAd advertising platforms, hold major market shares in mobile advertising. Microsoft has struggled in the mobile space and has joined forces with Nokia in an attempt to create a third mobile ecosystem to compete with Google’s Android and Apple’s iOS. A wide variety of other companies are also involved in the value chain, including specialised mobile actors such as Millennial Media, Amobee and Smaato. Facebook is furthermore on the verge of establishing its presence in the mobile advertising space, and may very well become an important player if leveraging user data for targeted mobile campaigns.

There are a number of key takeaways from the latest developments in mobile marketing. The channel is getting established as an integral part of the media mix, a progress which is eased by the booming smartphone adoption and increasing mobile media consumption. Brands do however need to refine their marketing strategies to integrate the mobile channel, in order to spend wisely and capitalise on the potential the mobile channel brings. Operators need to pay attention to the possible changes in the mobile ecosystem, where advertising can be an important future source of revenue. Within the plethora of advertising formats, applications are currently extremely popular, though also the mobile web is seeing increased uptake spurred by HTML5. While advanced formats offer impressive user experiences, the potential in more simple alternatives such as SMS and coupons is however still substantial, not the least due to an unprecedented reach. Finally, the integration of location-sensitivity in advertising efforts is increasing, an area which releases the full potential of the mobile channel.

This report answers the following questions:

- How should mobile handsets be integrated in the marketing media mix?
- What changes in the mobile industry and end-user behaviour are required for mobile advertising to keep growing as a multi-billion euro market?
- How are Apple, Google, Microsoft and Yahoo! positioning themselves to become leading mobile advertising players?
- Who are the rising stars that stand out from the crowd among the mobile advertising and marketing companies?
- How well suited for advertising are different existing and future mobile media channels?
- What are the experiences from mobile marketing campaigns so far?
- What implications does mobile advertising bring for operators?
- Which advertising formats will become most successful in the mobile environment?
- In what ways can location technology improve the relevancy of mobile advertising?

![Mobile advertising revenue forecast, € million (Worldwide 2010-2016)](chart)
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Glossary
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Rickard Andersson is a Telecom Analyst with a Masters degree in Industrial Engineering and Management from Chalmers University of Technology. He joined Berg Insight in 2010 and his areas of expertise include commercial vehicle telematics and mobile VAS.

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