

COLUMNS

Android's great untapped marketing potential

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Many still consider ad networks to be in an amateur state, and mobile marketing in its infancy. Over the coming years, the marketing community will be able to leverage greater value from information gleaned from users' mobile devices, enabling more precise and effective marketing than ever before.

Mobile devices provide extensive information on consumer characteristics and behavior, creating the possibility of identifying the optimal locations, timing and contexts to market to individuals.

Here are three key areas to watch, which represent the next generation of mobile marketing:

1. Location, location, location

Phones "know" and inform where they are, which is typically a great indication of where users are. Marketers now have an opportunity to know with even more exactitude, where their audiences are physically located in order to show them relevant ads in real time.

One newer technology, geofencing which entails setting virtual barriers in physical space allows niche marketing on a level never before seen for example, within the four walls of a store operating within a busy mall.

Consider the example of the American Red Cross, which placed a seven-day geofenced ad campaign appearing to audiences in and around areas affected by severe flooding in North Carolina, South Carolina and Georgia. Those living there or passing through the area had the opportunity to view the ads on their mobile devices. In the weeklong duration of the ads, the Red Cross garnered many clicks to its donation page.

Super-specific geolocation capabilities such as geofencing are not being leveraged nearly enough. There has not been much of note to report on in geofenced advertising lately, other than the occasional generic alert which users tend to ignore when they are near a mall, but it is a valuable resource for marketers to reach users within a specific perimeter.

Look for geofencing to become more widespread among marketers, as well as more targeted, in the very near future.

2. Behavior-based marketing

There are only a few ways audiences are meaningfully segmented today by age, by gender, by geography, and so on. Blanket marketing techniques are still prevalent, even though the promise of marketing to an audience of one has been around since the Internet's earliest days.

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The various ways users interact with their mobile devices can provide marketers with valuable clues regarding user interests, which supports delivery of targeted ads that are more apt to resonate and drive desired actions.

Just the types of applications a user has and uses on his or her phone can paint a unique picture of the type of person he or she is. For example, someone who checks stocks often or uses financial applications is likely a good target for promoting a new financial service. Conversely, someone who checks soccer scores isn't going to care much about a cable network offering them a free NBA package.

Harvesting data about users' interactions with their mobile devices lets marketers hone in on niche details that would otherwise never be available. It is now feasible to differentiate users who work from home instead of an office; a moviegoer to a binge-watcher; a foodie from a bargain hunter. A person's interactions with their device tells marketers things about that person they have never before had access to. It opens the door to interest- and context-based marketing.

For now, the only entities that could enable such a marketing ecosystem on mobile devices are Google, pervasive across Android, and Apple, pervasive across iOS. Currently, they're the only ones who would have access to this new and useful source of consumer data apps and their context of use – but unfortunately, they're not sharing it.

Marketers need another way to tap into rich user interaction data, and increasingly, the handset is a treasure trove. Ideally, a marketer should be able to say, "Market my product to people who match these five characteristics derived from their smartphone interactions."

3. Marketing to engage

How many apps are on your phone? How many of them can you name? Of those that you can name, how many have you actually used within the past week?

Apps have a fundamental problem: they have a vibe of ephemerality, and hardly anyone commits to using a given app in the long term. In the typical lifecycle of an app, if 100 people download it, only fifty will use it after the first day.

By the seventh day, only twenty percent will continue to use the app, and that's considered very good retention. Businesses therefore can only count on generating revenue from 20 percent of app downloads which is further subject to the 80-20 rule.

If you can get just two additional engaged users on an app, the revenues can grow significantly. Just securing installs is not sufficient; users need to be engaged with, and continually using, your app. This means engagement and not just acquisition.

A movie ticketing application, for example, would do better to advertise a movie ticket on a Thursday or Friday. If a user sees such an ad on a Monday morning, he or she is probably not even half as likely to engage.

The Holy Grail becomes fostering engagement at the right time. Increasingly, handset data provides critical clues on user context - the right place and the right time to engage the user.

MOBILE HANDSETS provide an excellent marketing intelligence platform that to date has not been fully exploited. The data they yield can bring greater relevance, proper context, and optimal timing to marketing efforts in such a way that well-done mobile marketing will always cut through the noise.

The intelligence has to be well used so that it does not become bothersome no one likes a constant barraging of deals to Paris for three days just because he or she searched once for prices on tickets to Paris. There is a lot to come in this space, and companies that combine context-aware, always-on publishing mechanisms with behavioral trends are just beginning to scratch the surface.

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