

COLUMNS

## Mobile bifurcates into two distinct advertising practices

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By [Harry Kargman](#)

The current mobile advertising landscape has bifurcated into two separate and distinct advertising practices.

The first is the direct response opportunity where advertisers are looking for reach and conversion based upon pre-defined metrics.

This practice is less concerned with the quality and context of where the ads run and more concerned with performance getting the lowest pricing on a cost-per-click (CPC) basis or numeric conversion on acquisition metrics such as downloads of a particular application from the iTunes app store.

### Reach and conversion

In the performance game, the advertising serves as a means unto an end, meaning the goal is a click to a site or downloads of an app, and they are the sole metrics of success. The context of where the ad appears is less relevant, if relevant at all.

The challenge of this model from a publisher perspective is that it creates a race to the so-called bottom from a pricing perspective commoditizing the value of traffic, in general, since the price per click from a adult site, blog, social networking site or amateur Web site, has the same "value" as that of a well-known, professionally edited, nationally recognized site or app. The context of where the ad appears is only as relevant in so far as the performance.

A site or app is only rated upon a conversion metric against one another.

For those advertisers looking to achieve a very specific goal, where brand-safe context is irrelevant, this approach is best served by negotiating the lowest CPCs possible while measuring campaign performance rigorously.

The downside of this approach is that it does not take into account potential brand dilution or even harm since CPC campaigns tend to run on bottom-basement sites.

While many smaller advertisers who buy keywords or choose performance campaigns may not want to pay a premium to assure transparency in site relevance and context, those brands which spent years and untold resources to create and build their brands should be very careful when buying in this way as performance campaigns do not come with transparency.

### Context and placement

The second approach is a display advertising opportunity where context and placement of the advertisement on a site or app is considered a critically important component in the overall campaign objective.

While other metrics such as click-through rate are measured to determine effectiveness of the creative, this approach at its core recognizes that context and placement of an ad does indeed influence consumer perceptions.

One of the initial and guiding principles in the buying decision is to situate the advertising in content that will reflect well on the brand and brand objectives.

The challenge in this approach is determining if the creative in many cases, the banners have the level of effectiveness from an influence and engagement perspective.

The advantage of standard mobile banners both on site and in app is that they are easy to produce, traffic and report on.

The mobile industry has created Mobile Marketing Association industry-standard banner sizes that are supported across most mobile-optimized sites and apps. Therefore, advertisers and marketers can easily create, manage and measure these campaigns and produce them in scale.

However, the challenge with this simplistic approach is making the effectiveness of the creative, or lack thereof, work from a campaign objective standpoint a.k.a a high engagement rate.

A standard display banner on a rich HTML5 or XHTML site or within a iPhone or Android App will be lost in the content surrounding it.

If the campaign is measured for effectiveness via metrics such as click-through rate, it is natural that the rate will be suppressed if the content is more attractive than the ad.

Therefore, there needs to be innovation to this approach where the display advertising and branding objectives are met by having the advertising creative be supported by the content around it.

In essence, the advertising needs to be considered as interesting, or more engaging than that of the content surrounding it.

Beyond the banner

Given this challenge, there are a number of mobile rich media advertising units that have recently come to market from companies such as Medialets, Crisp, Vdopia, Phluent, Sprout and Celtra.

These units provide a relatively easy way for brand advertisers to run effective display campaigns that generate consumer interest and awareness with higher click-through rates.

These rich media units are less standard than those of banners and require more thought from a creative standpoint. However, they generate greater returns to the brand advertiser.

This is a great first step in the augmentation of the advertising experience.

The second logical step potentially leap, if you will is to create context sensitive rich integrations within the sites and apps themselves.

A banner campaign or even rich media campaign will have difficulty competing with well-executed, contextually relevant content integrations where the advertising is integrated into the content itself.

The concept is simple: to build advertiser-sponsored relevant content extensions into the very fabric of the site or apps. The advertising surrounds the content and in some cases becomes the content.

The objective of the publisher community should be to create standard ways in which advertisers can integrate into the content where the result is fresh and compelling.

The industry should focus on driving engagement and participation while creating real value for the consumer to participate and interact with the advertising.

The next level is to go beyond the banner by rallying around a few key easy-to-create and reproduce content integrations that advertisers can confidently buy and measure producing real value with overall engagement.

Standardization of these few rich mobile content integrations should be the aspiration and goal for 2012 for the publishing industry.

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