

COLUMNS

Marketing to a community of one

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By **Chris Goswami**

A few years back, if you could not deliver a crisp elevator pitch on your company's "mobile advertising strategy," you were regarded as a laggard and even somewhat foolish for not joining what was undoubtedly the gravy train of the century.

This mobile advertising bubble reached a frenzy of hype at Mobile World Congress 2009, where I fear many people went home to purchase their very own hockey stick so they could remind themselves hour-by-hour just how much money they were going to make.

In the end, the only people who saw hockey stick growth in revenue were the producers of those never-ending mobile advertising conferences.

Marketing over advertising

We all knew advertising would come to mobile and it would be huge, that is a given.

But even now in 2013, the advertising dollars spent in the mobile medium lag far behind any other medium.

For example, eMarketer revealed that in the U.S. advertisers spend \$66.35 billion on television, but only \$4.41 billion on mobile. The situation in Europe is similar.

It is not a question of technology. That has mostly been there for some years. It is more about the difficulty of putting together a complex ecosystem of mobile ad networks, publishers, agencies and wireless carriers.

Additionally, it is about consumer behavior on mobile.

Both of these factors still lack maturity. However, some things have changed in the past few years with innovative and interesting models appearing and, interestingly, it seems more to do with "mobile marketing" than "mobile advertising."

Different track

Firstly, a new micro economy has spread over most of the developed world where increasingly all of us are becoming accustomed to making small, impulsive purchases for instant gratification.

Whereas previously we would buy a music CD, now we download a track.

Previously we would buy a word processor or a game. Now we download an application.

It is not just the e-world, it is the real world, too.

In many cities including London, Barcelona and now New York with CitiBike, there are racks of bicycles downtown. No need to purchase your own bike, just rent one for an hour or two.

Zincar encourages people to rent a luxury car just long enough to show off literally an hour or two

Zipcar encourages people to rent a luxury car just long enough to show off for only an hour or two.

And there are even companies such as airbnb that will rent out your house for just a day or two to a visitor while you are away on holiday.

Pushing this trend along is the Internet culture which continues to educate the world that "everything must be free" or at worst, very cheap. Either way there is no going back to the old days of big, upfront commitments.

Interestingly, this trend did not start in the developed world. It has always been that way in the developing world.

Bits and bytes

If you want to buy a cigarette in many developing countries, you buy one, not the whole pack.

If you need one battery, you buy just one battery. This "just what I want, just when I want it" culture may be new to us in our "developed" world, but it is not actually new.

Secondly, in the telecoms world, investment in mobile analytics continues to grow.

TechNavio's analysts forecast the global big data market in the telecoms sector to grow at a compounded annual growth rate of 55.24 percent over the period 2011-2015.

Whereas previously analytics was something of a luxury, it is fast becoming a necessity if only because we have finally realized that if we in the telecoms industry do not do this, our over-the-top friends will surely do it for us. And they are not well known for being big-hearted with their revenues.

Carriers, as we have always known, hold vast amounts of data on user trends, behavior and usage.

This is simply because they are operating mobile networks on which data is flowing in an increasingly interconnected world.

The new thing is that carriers are at last finding ways to harness this data into upsell and cross-sell opportunities.

Both of these trends are enabling the more innovative carriers to target small, highly specific groups of users with "just what I want, just when I want it" customized promotions.

MOBILE ADVERTISING may find itself overtaken by a more sophisticated and subtle mobile marketing of targeted promotions dependent on user profile, behavior, location and context.

Initial results point to incremental revenues not the huge revenues we tend to associate with mass-market advertising but also reduced churn as subscribers take up this curated experience as a discovery mechanism for new plans and new content.

It is probably not worth rushing out to dust off that old hockey stick just yet, but it certainly is progress.

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