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## **Q&A: 1020 Placecast's Blair Swedeen On the Future of the Mobile Ad Industry**

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By Jake Swearingen

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Yesterday I posted the first part of a chat with **Blair Swedeen**, the VP of Market Development at location-based advertising network **1020 Placecast**.

We talked about 1020 Placecast's business model, the user experience in location-based advertising, and

how important GPS-enabled phones are to location-based advertising. Today, we go over the small but growing mobile ad market, what industries are a good fit for location-based advertising, and the three things that need to happen for the mobile-advertising market to take off.



**BNET:** *How much of your business is still going over fixed broadband and WiFi vs. mobile?*

**Blair Swedeen:** eMarketer has a forecast for something like \$130 million in non-messaging based advertising within the mobile market the US in 2007. Compared to something like \$23 billion market for online in America, we're still talking about a very small piece of the pie today, but a piece that is expected to grow quickly. We see it an ingredient of the overall mix for an advertising agency who is interested in reaching the right audience.

**BNET:** *What types of industries are ideal for location-based advertising?*

**BS:** There's two types of buckets that work well. One is advertisers that are seeking purely to use the place vector information to reach a certain type of audience, and there's no location-based element to it. As an example, a large software provider advertised across our network, and they're not even consumer-facing, they're an enterprise software company. But they advertised on our network because they could target the mobile professional segment that they wanted to target. There was nothing about driving anyone to a retail location.

The other bucket is more what you would think about location, which is more on the direct response end of the spectrum. So that's the retailer that wants to reach a certain type of person, and hopefully drive foot traffic. This is where most of the market thinks location-based advertising is going to end up, that everybody is going to be pushing coupons to your phone. We think there's

going to be some component of that, but today we don't see a lot of that in a large scale. I mean, regardless, mobile is in the experimental stage – even interactive is in the experimental stage at some agencies. I don't think it's shaken out yet how to best used within the mix. Agencies are interested in location-based ads as an overall component in their campaign, but we have not seen a lot as far as direct response and tracking.

**BNET:** *What are the three things that need to happen for the mobile advertising market to really take off?*

**BS:** I think there are a couple of key things that are holding the mobile market back today as an advertising platform.

One is usability, so the ability to truly interact with the mobile Internet. The browsers are getting better, and I think you're going to see an enormous amount of innovation in the mobile browsers, both in the open-source and vendor community. So Google with Android for instance. There's several mobile browser startups. SkyFire is working on one to watch. BitStream is another. Mozilla has a mobile effort going on a well.

Two, is user interaction, which is a combination of software and hardware. So the iPhone is the best example of today of a mobile web integrated communication device – a phone that is truly 50 percent web and 50 percent phone. That's a combination of screen size and screen resolution. It's also – I remember seeing something about the number of clicks to get to the web on a standard phone, this was before the iPhone came out, and it was something like 37 to get to the web. That's getting better because the handset makers, carriers, and software vendors realize that's more important.

And three is connection speed and cost of data, just that whole equation, so that more people are browsing the web, so it's truly a medium for advertisers to be able to reach more people.

*(Click here to go back to part one.)*

**Jake Swearingen** has written for Wired and Business 2.0, covering everything from locative technology to high-definition online video.

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