

AlcaLu helps wireless operators target ads

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Alcatel-Lucent is expanding its advertising portfolio to help carriers get into targeted mobile advertising

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Alcatel-Lucent ([NYSE:ALU](#)) today expanded its advertising portfolio to include an Advertising Selection Server, made up of advanced targeting algorithms designed to make it easy for mobile service providers to offer advertisers targeted ad campaigns to reach their subscriber bases.

Mobile advertising is thought to be an [effective and potentially lucrative market](#) for advertisers, but it is still largely untapped today with only [couponing gaining significant traction](#). One reason for this is that mobile ad platforms offered today typically rely on SMS or the mobile Internet, so that the vendor can bypass the carrier's tight controls and restrictions. However, considering that the carrier has access to the most granular subscriber profile information, the true potential of mobile advertising will be realized when they get on board, according to Rudi Broos, director of strategy and marketing for the Digital Media and Advertising Group.

◆ Alcatel-Lucent believes that mobile operators have value in the upcoming advertising or new media value chain, ◆ Broos said. ◆ They can leverage the network intelligence they have, the customer intelligence they have. This is powerful information, so telcos can become powerful to media buyers. ◆

Alcatel-Lucent's Ad Selection Server, offered either as a turnkey or hosted platform, integrates SMS, MMS and WAP push and pull campaigns into a single platform. It works on a

strictly opt-in basis with a management path in place inside the Ad Server through which consumers indicate the level of their profile they want shared.

From this article, the server provides a front-end interface for inventory and campaign management and features APIs for integrating with third-party services, profiling and billing systems. In the pull method, operators can send out notifications, asking consumers to opt-in to an ad campaign in exchange for free minutes or another incentive. In a push campaign, carriers start by sending an ad-supported MMS and SMS messages to their consumers. WAP ads can act as a dual-mode delivery method. Broos said Alcatel-Lucent can offer multiple different push and pull campaigns at the same time, promising a mixture of impressions delivered.

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Advertisement:

◆ [Advertisers] can see the click-throughs and inventory, conduct a campaign and tune it if, for example, WAP is more effective than MMS push throughout the campaign, ◆ Broos said. ◆ There ◆ is an inventory management component at any moment in time. ◆

Alcatel-Lucent has already signed up its first operator customer, KPN ◆ Germany subsidiary EPlus, which has been trialing the server as a hosted service. Through the carrier ◆ Gettings application, consumers can choose amongst three packages to receive between 10 and 25 mobile ads per week in exchange for free minutes, free SMS messages or vouchers. Using the Ad Selection Server, users provide their preferences so they receive only the ads that interest them.

In its primary research and focus groups, Broos said Alcatel-Lucent has found this method is most popular amongst the cash poor, time rich millennial generation that views the program as a reward rather than a coupon. Privacy concerns don't stop them from giving up their profile information, because they are used to it on the social networking sites they frequent, he said. Virgin Mobile in the US also has a similar program in place called [Sugar Momma](#), in which consumers view short video ads online in exchange for free minutes. Broos said that he anticipates most carriers will be interested in outsourcing ad management and having them manage the relationship with media buyers, rather than tackle the market on their own.

The Ad Server is the latest in Alcatel-Lucent ◆ expanding adverting portfolio aimed at helping wireless operators do this. Last month, the company [teamed up with 1020 Placecast to offer location-targeted ads](#) that drew from Alcatel-Lucent ◆ geofencing technology and Placecast ◆ location-targeting engine. Alcatel-Lucent also [provides ad-insertion technology for IPTV providers](#). It is looking to continue growing its advertising offers for carriers to capitalize on the markets for three-screen integration, interactivity and personalization in advanced advertising.

◆ What you will be seeing from Alcatel-Lucent is we are coming out with a broad array of advertising solutions from profiling agents, to linear ad-insertion, broadcast TV, mobile ads, location-based ads, ◆ Broos said. ◆ You will see now that we get in different places of the world, interest for certain subsets of the value proposition, but we hope that customers are interested in more than one component of the value proposition. That is a differentiator that Alcatel-Lucent can offer compared to competitors. ◆