



News > Digital

Digg [submit](#)

[BOOKMARK](#)

[Save](#)

[E-mail](#)

[Print](#)

[Most Popular](#)

[RSS](#)

[Reprints](#)

Page 1 of 2

Mobile Ads: Wait Until Next Year

Why mobile advertising still has some way to go

Nov 16, 2009

- Brian Morrissey

The ink had barely dried on [Google's \\$750 million deal to buy mobile ad network AdMob](#) before some were saying it heralds "the year of mobile." Of course, the year of mobile has been predicted virtually annually for the past decade.

There is compelling evidence that this time it's different. Overall, there are now more mobile phones in the world than personal computers. There are over 4.6 billion mobile subscribers worldwide, according to eMarketer. Yet mobile advertising remains a tiny market. eMarketer expects it to generate \$416 million in U.S. ad spending this year, about the same amount spent on search marketing in two weeks. This will undoubtedly change, although perhaps not as quickly as mobile's biggest boosters hope, according to agency executives, analysts and mobile veterans. Here are the key reasons why:

Stepping on the Scale: For all the big numbers bandied about in mobile, the opportunities today are quite small. Think about smartphones. The typical person in San Francisco or New York could be forgiven for believing everyone is toting around an iPhone. That's not the case. In fact, fewer than one in five Americans has a smartphone, according to most estimates. That knocks out the most advanced ads like applications -- and greatly cuts into the opportunity to reach mobile consumers.

That's meant that while iPhone applications and mobile display ads get the most attention, the best way to run a mobile ad program with scale is through the humble text message, according to mobile ad tech provider Placecast CEO Alistair Goodman. "You've got to be able to run on all phones, not just on smartphones," he said. "Eventually everyone will have one. Today that

isn't the case."

Hunt for the Killer App: Current mobile formats borrow from the Web, treating mobile phones as little more than tiny computer screens rather than highly personal devices that physically accompany a person as they go through their day.

AdMob is an example of an early iteration of mobile advertising. Most of the ad impressions it serves are tiny static billboards.

"I don't think the ad formats we see now are the killer ad formats," said Jonathon Linner, CEO of Brightkite, a location-based mobile service and a founder of early mobile ad net Enpocket.

What's more, targeting ads to mobile phone users is still in its infancy. The carriers sit on a trove of user information and location data that is largely unavailable to marketers. Brightkite hopes to change that by showing ads to users based on their physical location. In a campaign launching this month, it's combining location and prior user behavior with augmented reality to show users on-screen product offers from nearby retail outlets.



Audi "Green Car" 2:04:21

Best of 2010 Super Bowl

	Audi "Green Car"	2:04:21
	Boost Mobile "Shuffle Remix"	2:55:49
	Bridgestone "Free Willy"	22:44
	Budweiser "Bridge"	32:43
	Budweiser "Fence"	01:00



ADVERTISEMENT

Watch all the 2010 Super Bowl ads here, and vote for your favorite and least favorite.

paidContent.org
THE ECONOMICS OF CONTENT

- [If You Can't Attend paidContent 2010 ...](#)

Apps, Not Ads: The decision by Volkswagen to launch the new GTI exclusively on mobile would appear to be a seminal moment for the mobile ad market. And it has been a roaring success: the GTI iPhone app has been downloaded over 2 million times in three weeks. But VW didn't buy mobile ads for the launch, plowing the money instead into app development.

The same is true for many brands. They've gone app crazy with the popularity of the iPhone platform. Apps offer what ad networks currently can't: persistent engagement with users and this seriously restricts the dollars flowing to mobile advertising proper.

1 | 2 NEXT PAGE »

Digg [submit](#)

Share on LinkedIn [+](#) Save [✉](#) E-mail [🖨](#) Print [↑](#) Most Popular [RSS](#) [📄](#) Reprints



6 Comments

Bill Ganon

November 16, 2009

I agree with previous post - we need to stop looking for "The Year of Mobile" as it pertains to mobile marketing. There are so many layers and facets to mobile marketing it's unrealistic to roll them all up and label - tempting as it may be to journalists and mobile companies in the space (as is my company, Verve Wireless). If you think about it for moment, mobile is unique to almost all previous media before it, in that advertising and marketing actually was delayed until well after the reach of the medium grew to maturity. When newspapers, radio, magazines and television were born, advertising was right there from beginning (admittedly in various forms of sophistication - but still - there). Not so in mobile. Mobile phones have been around (with any real presence), since the mid 90's. Fifteen years later, in the US, we've grown to over 240 million mobile customers with over 70 million with mobile web

Post a Comment

Asterisk (*) is a required field.

* Author:

* Comment:

[SUBMIT](#) [RESET](#)

The opinions expressed in comments are those of the individual poster. They do not necessarily reflect the views of Adweek or Nielsen Business Media. Attacks of a personal nature and comments that are otherwise inappropriate may be removed.

Other Digital News

Microsoft-Yahoo Search Pact Approved

February 18, 2010

The search partnership between Microsoft and Yahoo has cleared its last regulatory hurdle. [Read Full](#)

Article

[Google Taps DoubleClick Vet Salzman for Display](#)

[Behavioral Targeting to Grow](#)

[Visible Measures Launches 'Trends' Ad Tool](#)

[Polyvore Brings Style, Shopping Online](#)

[More Digital News](#)

ADWEEK DIGITAL DAILY

A morning briefing of most important interactive news stories.

[SIGN UP](#)

SUBSCRIBE

Stay connected to what's happening in the advertising industry with delivery of the print edition and complete online access.

[SUBSCRIBE](#)

Sales 2.0 and Social Media - The Sales Manager's Guide to Next-Generation Prospecting

Technology and improved access to information is making selling both harder, and easier. Our increased "connectedness" offers opportunities for the...

Following up on Business-to-Business Sales Leads - and Turning Them Into Sales Opportunities

- [paidContent Quick Hits 02.18.2010](#)
- [Playboy Hopes Mag Will Break Even By 2011](#)
- [Microsoft & Yahoo Get Regulatory Clearances in U.S. & Europe On Search Deal; Integration To Begin](#)
- [Google Creates New Post To Oversee Display Across YouTube And DoubleClick](#)

Adweek on Facebook

[Become a Fan](#)

Adweek has 5,966 Fans

Sandie Julien Jana Mike Peter

Adweek on Facebook

Univision Gets Multiplatform Support

February 18, 2010

Univision has signed four new sponsors for its annual Latin music awards special Premio lo

Nuestro a la Musica Latina. [Read Full Article](#)

[NBC: Olympic Opening Boosts Brands](#)

[NBC Wishes for a White Olympics](#)

[ANA, Nielsen Test Brand-Specific Ratings](#)

[Film Unit Boosts Viacom Q4](#)

[More Media News](#)



PICK A LETTER

[kp.org/thrive](#)

[LEARN MORE](#)

ADVERTISEMENT

The New Agency Diet

— Zephryn Lasker

Sales' function - its reason for being - is to provide clients with a satisfactory solution to the problem at hand. To help drive this, the post-ac...

Harnessing Innovation: A Guide to Driving Shopper Trial & Loyalty in Today's Marketplace

Inside this report, new research data detail the specific kinds of attributes consumers most want in new product introductions, and document specif...

Analyst Report: The Economic Necessity of Customer Service

Written by: Forrester Research and Sponsored by: Art Technology Group, Inc. In this economic climate, no one can afford to lose a customer. Rather...

Ad Agency uses Prepaid Cards for Sweepstakes

Marketing firm, Thomas J. Paul came up with the sweet idea to reward customers of a major snack food producer with prepaid cards. A nationwide sear...

[More White Papers](#)

Adapting "food rules" to the online space, and applying them to how ad folks do their jobs.

[Read Full Article](#)
[More Guest Columnists](#)


Reinventing Retail

— Bob Greenberg

It's hard to believe that 15 years have passed since Amazon launched as an online bookstore. Back then, e-commerce was largely modeled

on the brick-and-mortar experience, but now the reverse is beginning to happen.

[Read Full Article](#)
[More Guest Columnists](#)

Select Columnist: 



Introducing AgencyScoop with AdweekMedia. Join more than 25,000 industry professionals in networking, finding jobs, receiving special offers, sharing portfolios and more!

[Visit AgencyScoop with AdweekMedia.](#)

ADVERTISEMENT

Redhawk Casino advertisement: On Highway 50 at Exit 40. MINI Giveaway advertisement: \$500,000 Big MINI Giveaway. Click here for details.

[Adweek Advertising Home](#) | [Advertising Industry News](#) | [Creative TV Advertising](#) | [Advertising Industry Community](#) | [Video Advertising](#) | [Advertising Data Center](#) | [Advertising Special Reports](#) | [Advertising Careers](#) | [Advertising Products](#) | [Advertising About Us](#) | [Advertising Business Statements](#) | [Advertising Contact Us](#) | [Advertising Opportunities](#) | [Ad Licensing](#) | [Advertiser FAQ](#) | [Advertising Magazine Subscriptions](#) | [Advertising News RSS](#) | [Online Ad Site Map](#) | [Mobile](#)

© 2010 Adweek. All rights reserved [Terms of Use](#) | [Privacy Policy](#)

[Share Page](#) | [Fan Page](#) | [Top Stories](#)

[Chat with your friends](#)