

iAd Effect Gives Apple's Mobile Ad Rivals a Boost

By [Jack Marshall](#), ClickZ, Jul 23, 2010

The launch of Apple's iAd mobile advertising product at the beginning of July is having a positive effect on the businesses of rival ad networks and the mobile ad industry as a whole, according to companies in the space.

Rich media mobile ad network Greystripe says it has been selling its inventory more successfully since the announcement of the iAd in April, with advertisers taking increased interest in the medium following the hype the product has enjoyed. Michael Chang, Greystripe CEO, says his firm has sold out its inventory to premium campaigns every month since the iAd was announced, compared with a fill rate of around 50 percent with premium campaigns for the majority of 2009. "[It's] indicative of the increasing interest in immersive mobile advertising from both brands and consumers," Chang said.

Even Google, currently the major competitor to Apple in the mobile ad space, has applauded the impact the iAd is having on the market, with the company's director of emerging platforms, Mike Steib, even describing himself as a "fan" this week.

Speaking at paidContent's Mobile 2010 conference in NYC on Tuesday, Steib said the iAd was contributing to the overall growth of the mobile ad market, stating, "For somebody who's passionate about mobile, it's great, it's really exciting. We'll see lots of solutions as the market continues to evolve, and the iAd is a good one." He added - perhaps unsurprisingly given Google's \$750 million acquisition of AdMob earlier this year - that diversity would be key for attracting greater spend to the medium. "If iAd was the only choice, that would be bad. I'm a fan of the iAd implementation as long as it's not the only thing on the menu," he said.

Concurring that the iAd has had a positive effect on the wider industry since its launch, John Trimble, chief revenue officer of Internet radio service Pandora, suggested the mere presence of

Apple's iAd sales staff in the market was helping raise both education and awareness. "That education helps lift all boats, and ultimately aids everyone," he said. "The iAd picked up the pace for us," he added, in reference to its own mobile ad sales operation, which currently sells ads on its mobile application across a range of platforms.

Meanwhile, application developers also appear to be reaping the benefits of the iAd, albeit at a slow pace. Joe Sipher, co-founder of communications-based app development firm Pinger said he's been impressed with the quality of the ads, but that the fill-rate so far has been low. "We're hoping they'll keep filling. If they can fill at the CPMs they're claiming, we'll be making more money." Sipher's co-founder Greg Woock added, "If Apple can do for mobile advertising what it did for the app development environment, we're going to be very fortunate."

Greystripe is just one network currently on the "menu" of mobile ad opportunities Steib described, and serves rich media campaigns to iPhone and iPod Touch devices with similar functionality to that of Apple's iAd, incorporating video content and interactive elements into expandable banner ads. In total the firm claims to support over 1,400 handsets, including those running Google's Android operating system.

Greystripe says its "Immersion Ads" are returning positive results for advertisers, with some major brands already booking repeat campaigns. The company claims its recent in-app execution for Buick Lacrosse achieved a 3.7 percent click-through-rate, a 21 percent lift in brand awareness, and an average interaction time of almost three minutes for the game included in the ad. The company has run similar campaigns for Burger King, Axe and Kia, it says.

Apple revised its application developers' terms of service to allow the use of third party ad networks such as Greystripe, as long as they're independent. Its terms state, however, that "an advertising service provider owned by or affiliated with a developer or distributor of mobile devices, mobile operating systems or development environments other than Apple would not qualify as independent." That definition includes Google with

its Android OS, and, as a result, its AdMob network. However, Apple does not yet appear to be enforcing those rules, with iPhone developers still making use of Google's ads in their applications.

Rachel Pasqua, Director of digital agency iCrossing's mobile operation, suggested those limitations would have a negative effect on the industry if enforced, from the perspective of her clients, at least. "iAd is a branding opportunity, not for clients looking for an ROI driven campaign. iAd only would be bad." she said.