

Mobile Advertising Research UK 2009: Facts and visions on and by the market

Background

Mobile Advertising Research UK is an MMA endorsed project which took place in 2009. It includes quantitative insights in end user attitudes towards mobile and mobile advertising; qualitative views from key market players in the entire valuechain as well as using existing data. The objective was to present facts and visions on today's UK mobile advertising market and perspectives.

Market figures

The market for mobile advertising UK was assessed to have a value of 28.6 million GBP in 2008, an increase of 99% versus 2007. This represents 0.16% of the total UK advertising market (17,5 billion GBP). Comparing 2008 with 2003 has shown a huge shift from traditional media towards online (growth from 2.9% to 19.2%). Mobile advertising forecast for 2013 is 2.2%, comparable with internet advertising in 2003. Time spent by end users on their mobile hugely stays behind current spending of mobile.

End user insights

End users view their handset to be always present, default on, personal, interactive and viral, making it a potentially powerful communication tool for advertisers. However, the initial level of end user trust is low. If control and incentives are organized properly, end user acceptance of mobile advertising is at 70% which is on par with TV, cinema and outdoor advertising acceptance and above acceptance of direct mail, internet and radio advertising. The majority of UK end users are fine with sharing personal information regarding age, gender, interest, sports, fashion, music, hobbies, lifestyle and brands. There is more reluctance on income and location. Awareness of SMS advertising is highest, youngsters have a high awareness of richer channels; voice ad acceptance appears high.

The view of market experts

Obstacles

The mentioned hurdles to be tackled are of broad variety. They include lack of true operator cooperation in sales, technology standards, lack of metrics, a lack of rolled-out opt-in programs, advertiser unawareness of mobile as a communication means, fear for conflicting business models, focus on niche services with little reach, cross-media planning and campaigns, fragmentation of inventory,

Opportunities

Identified opportunities for the UK market were: usage of high-reach services as voice and texting for advertising, two-way communication, end-to-end delivery of campaign with mobile coupons & tickets, using mobile as a way to make traditional media more effective, app stores, sales cooperation on inventory, increased effectiveness by targeting through intelligent ad serving in

combination with end user-control opt-in programs; integrated mobile booking with booking of online and traditional media.

Concluding remarks

Short-term, mobile might be the most overhyped advertising channel. Mid-term, it could prove to be the most underhyped advertising channel. It is crucial that advertisers, media-agencies, ad serving- and infrastructure companies, publishers and operators work hand-in-hand. With fragmentation, mobile advertising will still grow, but at a slower pace than it potentially has. Educating the market should be at all levels: advertisers need to be informed about the mobile potential, the mobile industry needs to understand advertiser needs better, whereas control, permission and individual needs of end users remain the starting point.

This research is part of global mobile advertising research coordinated by Aeneas Strategy. Research is performed at national level with local partners, participants and market players. To track trends qualitatively and quantitatively, national researches will be executed annually.

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