

Mobile Marketing: Is 'App-vertising' the Answer?

Garrick Schmitt, May 2009

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For nearly a decade, mobile advertising has proven to be the great white whale of digital marketing -- forever on the horizon but perpetually out of reach.

But thanks to Apple's iPhone and App Store, that's all about to change. The numbers to date are staggering: 1 billion applications served, 35,000 applications available and more than 30 million devices in market. Apple's meteoric success with the App Store (launched a mere nine months ago) is fueling a mobile-application market boom.

Consumers, once wary of using their phones for anything more than talking or texting, now seem to have an almost insatiable appetite for mobile applications. iPhone owners on average download more than 20 applications to their devices (upward of 40, according to some reports) and Google Android users are even more ravenous.

The market is sure to grow even larger as more companies leap in. Nokia, which has nearly 40% of the global smartphone market, announced that it would be entering the mobile-application fray with its Ovi Store (featuring 20,000 applications available for download) this week, joining competing offerings from BlackBerry, Google's Android Market, Microsoft and Palm.

All of this is igniting the imaginations of brand marketers and ushering in a land grab for an increasingly valuable piece of real estate: the always-on device in our pockets. Enter "app-vertising," a new name for an emerging mix of branded mobile applications and in-application advertising that is finally poised to deliver on the promise of mobile marketing. Here are some marketers getting into the act.

Branded Apps



Uniqlo: Branded applications have seen the most growth since Apple launched the App Store, and Uniqlo's [Uniqlock app](#) is easily one of the most imaginative. Produced by Projector, Uniqlock fuses the utility of a clock with videos of models, attired in Uniqlo clothing, performing a series of mostly quirky dances. Weighing in at a hefty 181 MB, the app certainly packs a punch.



Adidas: The [Adidas Urban Art Guide](#) was created specifically as a walking guide to Berlin's impressive street art, which includes paintings, stencils, paste-ups and stickers from underground artists. The app taps Microsoft Virtual Earth to create routes, provides galleries and even allows users to upload their own artistic discoveries.



Chanel: Fashion brands have certainly embraced the video elements of the iPhone and iPod Touch, and [Chanel's mobile application](#) is no exception. Featuring video from Chanel fashion shows, 70-plus looks and accessories, Chanel News video segments, and even a store locator, this app clearly knows its fashionista audience.



Audi A4: More than half of the top mobile applications are games -- and engagement for apps averages nine-plus minutes per session -- so it makes perfect sense that the Audi created the [A4 Driving Challenge](#) game app. Taking advantage of the iPhone's accelerometer (which allows the device to detect movement), the A4 game allows users to select courses, choose car specifications and more.

In-Application Advertising



Levi's: The next wave of mobile advertising will certainly be in-application advertising, and the creative possibilities there are limitless as well. Levi's [Dockers' "shakeable" ad](#), built on the [Medialets](#) platform, is a great example of how savvy creatives can take advantage of the iPhone's accelerometer to add motion to advertising -- in this case, making a khaki-clad model break dance -- when the user shakes the device.



Burger King: For Valentine's Day, Burger King crafted a clever in-app ad, ["The Scent of Seduction"](#), that allowed users to burst heart-shaped bubbles by touching the screen. Greystripe, which ran the in-app ad, reported that 14% of users interacted with it and spent 16 seconds on average playing the game.

While "app-vertising" provides tantalizing opportunities, we are still in the early days here. Recently, [Pinch Media analyzed 30 million iPhone app downloads](#) and discovered that only 5% of users will open either a free or paid app 30 days after the initial download. It's enough to make even the savviest developers or brand marketers question basic assumptions about mobile utility and entertainment.

Still, we are just scratching the surface of what mobile marketing will start to deliver. It's not hard to imagine how we leap from the Uniqlock app or the shakeable Dockers ad to a whole new world where the GPS is integrated with content and offers; video actually reacts to user movements (think about the storytelling possibilities); and our own voices, channeled through the phone's microphone, start to control interactions.

Best of all, in the future we'll still have access to all the rich functionality of some of these mobile apps when the phone goes offline, too. This is due, in large part, to advances in pre-caching technology -- a certain relief to anyone who's struggled to find a 3G signal either on the road or in their own living room.

So will "app-vertising" finally take off? Analysts certainly think so. Sanford Bernstein's Jeff Lindsay predicts that the worldwide mobile-advertising market will explode, mushrooming from \$700 million in 2008 to \$7.2 billion by 2012. And with Silicon Alley Insider [estimating](#) that in-app advertising fetches a hefty \$20 to \$30 CPM, there's no turning back now.

About the Author



Garrick Schmitt is group VP-experience planning at Razorfish and the agency's global lead for User Experience. He publishes FEED, Razorfish's annual consumer experience report, and writes and edits the Razorfish [Digital Design Blog](#). In his spare time he flails about on Twitter [@gschmitt](#).

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Razorfish

821 2nd Avenue, Suite 1800
Seattle, WA 98104
Phone: 206.816.8800
Fax: 206.816.8808