

Mobile's Breakaway Year

insight

Jeremy Lockhorn | December 2007



The year 2007 will go down for many in the digital marketing world as when mobile exploded. I don't mean the iPhone, although it's difficult to ignore its market impact. This year also saw tremendous growth in mobile banner advertising, but that's not what I'm referring to either. What contributed to mobile's breakaway is bigger than those two things combined. This year was about mobile as an integrated channel, from a 360-degree marketing perspective.

At my company, we went from 0 to 60, launching mobile programs that leveraged nearly every possible mobile marketing mechanic. I fully expect that to continue in 2008, and I know I'm not alone. But digital marketing's about to get even more interesting. I'm not usually one to make grandiose prognostications, but I thought I'd break with the norm and share this hunch: if 2007 is the year of the third screen, then 2008 will be the year of the fourth screen.

Digital signage, the fourth screen, is poised to explode. Key outdoor media players are adding digital inventory at a rapid pace. Hundreds of signage networks and aggregators are popping up and trying to establish dominance or carve out niches.

According to PQ Media, ad spend on digital billboards and displays nearly doubled from 2006 to 2007 and is projected to double again by 2009. The total spend on alternative out-of-home media, including digital billboards, video ad networks/screens, and ambient advertising, is projected to hit \$3.5 billion by 2009. Based on store traffic volume, Wal-Mart TV has been reported as the fourth most watched TV network in the U.S. The Out-of-home Video Advertising Bureau launched officially back in January and later formed an agency advisory board to help establish standards for this exploding channel.

It's a groundswell now, but it'll shortly become full-blown hype. And with good reason. Marketers with large TV budgets are looking for alternative ways to leverage existing spots as they fear diminishing returns from broadcast media due to fragmentation and DVR growth. Now an even greater threat looms: the writers' strike, which is bringing TV production to a halt and prompting consumers to seek alternate means of entertainment.

Video screens are more than just a new channel to push TV spots to, however. Screens in public places grab attention, often providing useful information, such as news and sports scores. They're frequently located where consumers have time to kill -- or to use the current buzz phrase, have a high dwell time. They're not always enabled with audio, but they can reach several concurrent audiences and usually afford minimal, if any, control over the content (which means no fast-forwarding). Video screens and digital signs also tend to be one of the closest media channels to the point of purchase and promise marketers one last opportunity to influence the buying decision.

The real key to success with digital signage, however, is the mobile phone. Why? Mobile is becoming the centerpiece of integrated marketing campaigns. It excels at building bridges to other media. It's the connective tissue that binds it all together. For consumers, it's the ultimate remote control in one's life.

Mobile by itself has the power to make all media interactive, even analog, static out-of-home advertising. Marketers simply invite consumers to send a text message to their short code to enable basic interaction. A simple reach and awareness channel becomes something much bigger. It's the start of the conversation and gateway to a richer, deeper experience. And it will suddenly return data and valuable consumer insights that previously weren't possible. Mobile has become accountable in entirely new ways.

Layer in a digital sign (many of which are IP-connected), and you open up even more potential. You combine the best parts of Web-based digital marketing with the additional reach and frequency, buzz, and value of out-of-home. The potential is tremendous. The signage media itself becomes interactive, allowing consumers to send information for display on the screen, to play a game, to request information, and so on. That kind of interaction has been possible for a long time, but this phone-driven, two-way communication with outdoor signs will gain more reach next year and drive tremendous growth and experimentation.

Marketers will be able to create completely new experiences that engage, entertain, and ultimately provide value to the audience, and that's the key. As I've discussed before, advertising has always been rooted in the value exchange between marketer, media channel, and consumer. Lots of current out-of-home placements don't provide clear value, but the rush toward digitalization promises to bring that balance back.

This past year has indeed been the year of mobile, and although 2008 will bring much hype around digital signage, the phone will continue to play an increasingly important role.

About the Author

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