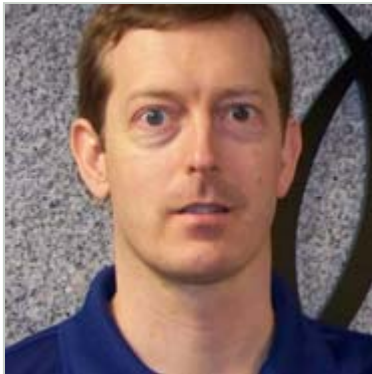


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Why wireless carriers should control mobile advertising

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By [Jeff Fraser](#)

Mobile devices can create a much richer marketing and advertising experience for the consumer because they are more intimate than television or print and can provide better immediate feedback than online.

However, for consumers to buy into this medium, the experience must contribute value to them in a non-intrusive manner.

The great debate is over how this business model should take shape.

Tangled network

Most of the mobile advertising today is delivered via a path that bypasses the wireless carrier.

Subsequently, most ads today are designed to circumvent the service provider, rather than to empower them. The carriers are merely a transmission tool and not included in the transaction.

The one entity in the entire process which can provide the most relevancy about the consumer to the advertiser is, by and large, cut out of the mix.

The ad delivery platforms are great at inserting ads via text, applications or browsers, but the carriers neither control the message, nor participate in the revenue.

To put control back where it belongs and participate in the revenue, carriers should initiate the real-time transaction with the customer, offer immediate settlement for services delivered and define the rules of engagement executed between the carrier and the customer.

Essentially, mobile advertising should be delivered with the same precision and value as with prepaid services.

In that business model carriers understand the customer, manage their money for them and service them.

Consumers reward carriers each week or each month by recharging their accounts. With the prepaid model, the carriers are in control – they define the experience and the subscribers flourish with it.

In carrier we trust

What is the key principle from prepaid services that carriers need to apply to mobile advertising? Providing trust.

In the current Internet-centric ecosystem for mobile advertising, carriers may not even be a party to the transaction, but they will get the blame for any privacy violations, inappropriate or annoying ads or scams.

A 15-year-old child could be receiving inappropriate ads, and the carrier would not know. But the carrier would have to field the complaint from the child's parent.

Carriers are the primary source of consumer data. They understand who each subscriber is and, as such, they need the tools to tailor ads and deliver content appropriately.

The personal nature of the mobile device has created an anxiety for people to opt-in.

Regardless of the fact that users put their whole life history and daily routines on Facebook, there is a perception that allowing an advertisement on a phone could be intrusive.

If mobile advertising has the taint of spam or is annoying, it will fail. It needs to be felt, uniquely, as a carrier-delivered service.

In the Web model, ads and coupons can seem to appear randomly.

Whether you visit a Web site, your email account or you click on a link, you get a series of ads that may or may not be tailored to you.

Carriers are better suited to target a consumer with a specific ad or possibly an ad-subsidized service plan. They are experts at controlling real-time service interactions with their customers.

Intelligent Network (IN) prepaid has made carriers extremely sophisticated in controlling and directing a call experience.

Involving the elements and principles of IN prepaid into advertising enables the carrier to deliver the same level of control and precision back to the consumer for a more relevant experience.

U.S. mobile advertising revenues will grow from \$491 million in 2009 to \$2.9 billion in 2014, according to projections from market researcher BIA/Kelsey.

At the same time, Berg Insight forecasts that the total value of the global mobile marketing and advertising market will grow from \$2.25 billion in 2009 to \$17.9 billion in 2015.

These are huge sources of revenue from customers, but carriers need to be directly involved in the ad delivery to facilitate trust with the consumer.

If the carrier can deliver an advertising model similar to the prepaid model, the customers will opt-in and engage. This means appropriate content with real-time results: "I will watch your ad, but I want my perk or benefit to arrive as soon as I finish."

Sign up to an ad plan

Carriers have recognized that prepaid and stored value plans and services are profitable. Customers demanded value and carriers responded accordingly.

The choice of plans, phones and payment methods available today in prepaid has grown to fit the demographics of the subscriber base.

Just as in prepaid, carriers know that in advertising one size does not fit all.

Carriers could assign the customer an ad plan, just like a prepaid plan. Those plans will need to demonstrate beneficial value to each consumer. Give the consumer options to receive ads such as the options they receive with prepaid plans.

So what can the carrier advertising stakeholders learn from this prepaid experience?

If you approach advertising to your customers the way your product team approaches prepaid services, your subscribers and you will both benefit.

Prepaid used to be for customers who were not important. Now it is mainstream and an option.

Carriers continue to evolve prepaid to meet customer demands. Mobile advertising needs to be the same flexible way.

Carriers will fail if they approach mobile advertising the same way as they approach online advertising.

Mobile advertising is not just measurement and valuation in the manner of online advertising. Just as with prepaid and postpaid, the experience needs to be completely different.

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