The Trust Factor

The marketing and advertising experience can be a much richer one when using mobile devices. Using mobile, the advertising experience is more intimate than television or print, and can provide better immediate feedback than online. But the mobile consumer is a fickle buyer, and has varying tastes and interests. To make mobile advertising work effectively, the experience must provide real value to consumers in a non-intrusive manner.

And so the question arises: How should this business model take shape? Oddly, the current popular mobile advertising model completely bypasses the operator. Most ad programs are designed to circumvent the service provider - the entity closest to the consumer, and clearly, the most knowledgeable about the consumer. Current ad delivery platforms are great at inserting ads via text, apps or browsers. But usually, the operators neither control the message, nor participate in the revenue. Why is the one entity that can provide the most relevance about the consumer by and large cut out of the mix? Good question.

Real-time interactions

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

In the traditional web model, ads and coupons can seem to appear randomly. Whether you visit a website, log on to your email account, or click on a link, you get a series of ads that are usually tailored to you. Interestingly, the Intelligent Network (IN) prepaid architecture has made operators extremely sophisticated in controlling and directing a call experience. Involving these elements and principles of IN prepaid into advertising will enable the operator to deliver the same level of control and precision back to the consumer, for a more relevant experience.

Operators should initiate the real-time transaction with the customer, offer immediate settlement for services delivered, and define the rules of engagement executed between the operator and the customer. Essentially, mobile advertising should be delivered and work like prepaid services.

Understanding the customer
In the prepaid business model, operators lean heavily on their real understanding of the customer. They manage their customers hard-earned money and provide them with excellent service. Through this model, the operators put the customer in control - they define the experience, and flourish with it. Essentially, the operator continually hones the

experience based on market feedback, demographics, likes, dislikes, and any number of other variables that assist in a process the operator completely understands and can favourably manipulate to make the user experience flourish.

The prepaid model is successful because of the relationship the operator has with the customer. Prepaid operators create choices in plans, phones and payment methods to fit the demographics of their subscriber base. And operators know that in advertising (like in prepaid), consumer needs vary, and a cookie cutter approach will not work. Operators could easily assign the customer a tailor-made advertising program, just like they currently do with their Prepaid Plans. Give the consumer a personalized and custom-built ad experience, and you ll find happy customers.

Operator-delivered choice

The idea that advertising could be (should be?) mobile often draws the ire of many who feel this is too intrusive. If mobile advertising has the taint of spam or is in any way annoying, it will fail. It needs to be felt, uniquely, as an operator-delivered choice.

Getting this all to work as a well-orchestrated program requires mountains of behind-the-scenes machinations, but screwing up the trust factor with the consumer can quickly unravel the entire business model. In the current mobile advertising ecosystem, the operators are on the hook with the consumer for everything but the revenue within the transaction. This includes privacy violations, inappropriate or annoying ads, or scams. The operator has no idea that an eight year old received a tailored ad about a particular cigarette brand. But the operator would have to field the complaint from the child s parent and would be saddled with any legal wrangling that may subsequently occur. The operator is the primary source of the consumer data; they understand who each subscriber is, and as such, they need the tools to tailor ads and deliver content appropriately.

Operator-delivered choice

BIA/Kelsey advertising consultants show US mobile advertising revenues will grow to $2.9bn in 2014, up from $491m in 2009. At the same time, Berg Insight shows the total value of the global mobile marketing and advertising market growing from $2.25bn in 2009 to $17.9bn in 2015.

Mobile advertising can become a huge source of revenue from customers, but operators need to be directly involved in the ad delivery to facilitate the trust factor with the consumer. If the operator can deliver an advertising model similar to the prepaid model, customers will opt-in and engage. This means content that is appropriately tailored, with results.

So, operators, if you approach advertising to your customers the way your product team

approaches prepaid services, your subscribers and you will both benefit. Prepaid was formerly for customers who were not deemed important to the telephony landscape. Now it is mainstream, and a viable option for all consumers.The evolution of mobile advertising needs to happen quickly and be infinitely flexible. Remember, mobile advertising is not just measurement and valuation like online advertising. Just as with prepaid and postpaid, the experience needs to be completely different.

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