

During Economic Downturn, Mobile Advertising Seen as Key to Reaching On-the-Go Consumers

Contributed by Harris Interactive
Friday, 11 July 2008

New Harris Interactive Study: During Economic Downturn, Mobile Advertising Seen as Key to Reaching On-the-Go Consumers

With mobile phone usage increasing, smart marketers leverage mobile advertising to promote brands, sell products and services.

ROCHESTER, N.Y., May 28, 2008 — A new Harris Interactive study on people's attitudes toward the economy and technology reveals that despite skyrocketing fuel prices and rising costs for daily household staples, over one-third of consumers say the dire economy will not affect their spending habits.

Harris Interactive reports that the majority (60 percent) of consumers who will now limit their discretionary spending will curtail going out to restaurants (74 percent) and limit their purchase of electronics (71 percent), among other choices like buying fewer clothes and taking fewer vacations. One shining light for marketers interested in reaching fickle consumers during this economic downturn is the finding that a significant number of consumers (41 percent) have no plans to stop or cut-back on the purchase of cell phones.

Grabbing consumer's attention through their mobile devices is seen as an increasingly viable advertising channel. To many, it seems the use of mobile phones has become an indispensable part of their lives. People are actually severing ties to land lines with increasing frequency. According to a new study from the National Center for Health Statistics, 16 percent of U.S. homes are using wireless phones exclusively — more than double the amount from the same period in 2004.

These trends support the push by marketers to leverage mobile advertising as part of an integrated marketing program to promote their brands and sell products and services, Harris analysts conclude — especially during difficult economic times.

"Business may be slowing for many companies but, the fact is, there are a lot of people who are still spending money in this country and even those cutting back still need to buy essentials," said Milton Ellis, vice president and senior consultant, Harris Interactive technology group. "The key is to reach out to them through innovative marketing — including mobile advertising — and provide the right incentives to capture their business."

The Harris Interactive research indicates that mobile advertising, especially via mobile phones, can gain a foothold among this large and growing group if it is unobtrusive, targeted toward an individual's personal tastes and offers something unique. Among teens surveyed, over half (56 percent) said they would be interested in viewing mobile ads with incentives, while over one-third (37 percent) of adults noted that they would be receptive to such advertising.

"No other advertising medium approaches the personal relationship consumers have with their mobile devices," Ellis said. "This relationship needs to be respected, but can be leveraged by marketers through robust segmentation and personalization. The key is to gain consumer interest by baiting the hook and providing them with something traditional advertising cannot. Our research indicates that teens will be strong early adapters to this advertising, with adults not far behind."

Harris Interactive asked survey respondents to identify the best mobile advertising incentives. Cash is king, with 80 percent of adults and 70 percent of teens identifying it as the top incentive for responding to mobile advertising. Entertainment downloads (61 percent), free music (57 percent) and complimentary minutes (53 percent) also are popular incentives among teens. Among adults, free minutes (49 percent) and discount coupons (37 percent) are appealing incentives. Free entertainment (31 percent) and music (24 percent) downloads also captured the attention of adults.

In terms of how these incentives should best be delivered, the Harris Interactive research indicates text messaging is the most preferred advertising approach among over two-thirds (69 percent of adults and 64 percent of teens) of consumers. Teens are more willing to accept advertising images on their mobile phones (47 percent), versus adults (35 percent). The allure of video imagery in mobile advertising is down ten percent among adults from last year, but more of these older mobile technology users are open to ads being transferred automatically to their email (30 percent) than in the past.

"Adults and teens are growing more accustomed to mobile advertising, but it appears this technology in general has yet to deliver the needed advertising experience to consumers, but this will surely come as the medium evolves," said Judith Ricker, division president, Harris Interactive marketing communications research group. "No matter how mobile

advertising messages are delivered, our research shows that consumers demand that if a company is going to invade their personal space with advertising, it better be for something of interest to them – personalization is hyper-critical."

Providing personal information to marketers to help them target advertising messages and products has always been a sensitive topic, but more than half (54 percent) of adult respondents said they are comfortable doing so for mobile advertisers, especially if offered for the right incentive. Others agree, but want to choose who sees this information (21 percent). Teens surprisingly are very guarded about their personal information – only 35 percent would divulge it, even if an incentive is offered; 25 percent said they would never provide personal information.

"Like any good advertising, mobile ads must be relevant to consumers by conveying a clear value proposition, as well as tightly integrated into marketing campaigns that are aligned with the overall brand strategy," added Ricker. "People, adults in particular, will provide some degree of personal information to help marketers achieve this. Teens, on the other hand, are much more polarized on the issue, which may be a result of the recent online privacy scares brought on by social networking sites. The bottom line is everyone wants to maintain a certain degree of control of their personal information."