

Mobile Display Proves Its Worth

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Ads on the channel boost brand engagement

Advertisers in the US are on track to spend \$1.8 billion on mobile display advertising in 2012—more than triple the amount spent in 2011, but still far less than for other digital channels—according to a new eMarketer report, “Mobile Display Advertising: Aspirations, Revelations and Frustrations.”

The majority of marketers who invested in mobile advertising this year labeled their efforts a success, but for a sizeable minority, results were inconsistent.

The metrics on mobile look good. Mobile clickthrough rates surpass online advertising norms, even when taking into account accidental clicks. And engagement levels with rich media ads have been shown to deliver significant lift to brand metrics. These positive trends, paired with the steady adoption of smartphones—now in the hands of nearly a majority of US adults—have marketers convinced they need to spend more on mobile display advertising.

To understand marketers’ leading goals for the mobile channel, in April marketing solutions provider StrongMail asked 800 executives from a range of industries to identify the top objectives of their mobile marketing efforts. The largest group of respondents—nearly 60%—said they expected to increase sales through their mobile efforts, indicating that direct-response campaigns may continue to dominate the mobile advertising landscape in the near term. Still, roughly half of those surveyed aimed to raise brand awareness and improve customer service, and a slightly smaller group (45%) expected to acquire new customers through the channel.

To achieve these goals, advertisers investing at experimental levels frequently start with simple banner campaigns and rely on reach-based metrics such as CTR and cost per impression to gauge success.

And while many marketers initially doubted the ability of the small screen to deliver immersive brand experiences, advertisers are discovering that mobile display has positive effects on a wide spectrum of brand metrics and that engagement levels for it are high.

Research firm InsightExpress analyzed data collected from nearly 550,000 respondents across 240 mobile ad campaigns deployed between November 2007 and June 2012, and not only found a high level of ad awareness for mobile ads, it found the ads clearly conveyed brand messages, raised consumers’ intent to buy and left consumers with a more positive brand image.

Despite all the positives, however, advertisers still want better audience-targeting and user-tracking capabilities on mobile. This will be a key ingredient for realizing the full potential of mobile advertising.

eMarketer defines mobile display advertising as banners, rich media and video ads on WAP sites, mobile HTML sites, and embedded in-application/in-game advertising.

The full report, “Mobile Display Advertising: Aspirations, Revelations and Frustrations,” also answers these key questions:

- What goals are marketers trying to achieve with mobile display?
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- Are mobile display ads effective?
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- Why does time spent with mobile far exceed mobile ad spending?

4 December 2012