Mobile Rich Media Grows Up, Scales Up
Foreword

If you haven’t engaged with mobile advertising for some time, you could be in for a pleasant surprise the next time you do. For the days when mobile advertising amounted to nothing more than a thin, quarter-inch deep banner that, when clicked, might, if you were lucky, lead to a mobile-optimised website, are long gone.

Of course, that kind of static advertising experience still exists on mobile, but for the more adventurous advertiser, the emergence of rich media mobile advertising has opened the door to much more sophisticated, more powerful and more engaging communications with the mobile consumer.

Today, a click on a mobile banner might lead to a full screen takeover, displaying high-resolution photos or a video clip that the user can interact with. Alternatively, it might lead to a map, take you to a brand’s Facebook page, or generate a phone call to a call centre. It’s all a long way from what mobile advertising used to look like just a couple of years ago, when no self-respecting creative would be seen dead working on a mobile campaign. Today, by contrast, creative shops, specialising in mobile advertising, are springing up, helping brands to leverage the unique capabilities of the mobile channel, and more often than not, turning to rich media mobile advertising to help them do so.

Rich media mobile advertising is here, and it’s here to stay, and I for one celebrate that fact. Because for me, the day mobile advertising really comes of age will be the day that the big advertisers, the ones you see on TV every night, treat mobile with the same respect as they do TV or print. The emergence of rich media mobile advertising brings that day a little closer.

David Murphy

Founder and Editor, Mobile Marketing Magazine
About the contributors

Adfonic

Global mobile advertising marketplace, Adfonic, enables advertisers to bid for display advertising space on mobile sites and applications to extend their reach and drive results, and publishers to maximise the earning potential of their mobile traffic. Adfonic drives over 35 billion monthly ad requests across more than 200 countries, reaching an estimated audience of 200 million mobile unique users. The company is headquartered in London with further operations in Madrid, Munich, New York, Paris, San Francisco and Singapore. Follow us @Adfonic on Twitter or read our news at.blog.adfonic.com.(156,910),(238,931)

Contact:
Paul Childs
Co-Founder and Chief Marketing Officer
paul.childs@adfonic.com
http://adfonic.com

Celtra

Celtra offers the most flexible and easy-to-use platform that enables scalable, rich media mobile advertising across native apps and the mobile web on the most popular device platforms. The company's AdCreator lets advertisers easily create, distribute and measure rich media mobile display advertising. AdCreator offers unmatched control for creative campaign execution, cutting-edge ad formats and unified metrics to track and optimize campaigns. Celtra's ads maximize reach because they can run across top mobile ad networks, thousands of premium publishers and DSPs. Leading brands like Volvo, Adidas, Sprint, Starwood Hotels and Resorts, Wrigley, Starbucks and Kmart have utilized Celtra's ads. For more information, follow-us at www.celtra.com or @CeltraMobile on Twitter.

Contact:
Jonathan Milne
General Manager Europe
jonathan@celtra.com
http://www.celtra.com

Fetch Media

Fetch Media is an award-winning, full-service mobile advertising agency based in London and San Francisco. Managing mobile and tablet campaigns in over 50 countries, the agency works with leading brands to deliver best-in-class strategy, creative, media planning/buying and tracking services. By leveraging technology, expertise and a passion for mobile, Fetch Media has successfully developed and implemented mobile marketing campaigns for brands such as Hotels.com, Time Out, Sony Music, Atlantic Records and William Hill. The team is dedicated to meet business objectives, drive growth and deliver ROI for clients through the mobile channel. Fetch Media recently won the Best Mobile Marketing Company category in the 2011 Mobile Entertainment Awards and Best Mobile
Advertising Campaign in the 2011 Effective Mobile Marketing Awards. Follow Fetch Media on Twitter @fetchmedia or read the Fetch Media blog at http://phonekeyswallet.co.uk/.

Contact:
James Connelly
Managing Director
james@fetchmedia.co.uk
http://www.fetchmedia.co.uk

On Device Research
On Device Research uses the mobile internet to gain access to consumer opinions at any time, place or country. By conducting research on mobile phones and tablets you gain instant responses that accurately capture consumer’s feelings. On Device Research have the ability to cross borders in an instant and connect with niche groups in minutes, and through their proprietary technology and skill at creating mobile surveys, they’ve been able to successfully deliver 1 million surveys across 50 countries.

Contact:
Alistair Hill
alistair@ondeviceresearch.com
http://www.ondeviceresearch.com

David Murphy
David Murphy is the founder and editor of Mobile Marketing, the leading magazine dedicated to the global mobile marketing industry. The magazine launched online in November 2005, and now attracts over 35,000 unique visitors per month. The site is updated several times each business day, and also comes in print, iPad and mobile versions. Mobile Marketing also runs webinars, conferences, the Mobile Masterclass series and the Effective Mobile Marketing Awards. In 2012, Mobile Marketing launched the Mobile Retail Summit, a one-day conference and exposition looking at all aspects of mobile in the retail channel, and in October 2012, Mobile Marketing is staging Mobile Marketing Live, a new 2-day exhibition and conference for the global mobile marketing business. The first event is in London. Mobile Marketing also runs the Mobile Training Academy, whose mission is to raise the standard of knowledge and best practice in the mobile marketing business.

Contact:
David Murphy
david.murphy@mobilemarketingmagazine.com
http://www. mobilemarketingmagazine.com
Part 1 - The Evolution of Mobile Rich Media

The story of rich media in mobile is a story of evolution; the development of a mobile advertising market from a simple to a more complex form, while adjusting to gradual changes in the ecosystem. Rich media mobile advertising has moved into primetime, and its potential is too great to ignore. Here's a quick look at the stages that led to the creation of a thriving rich media mobile market.

Hunters and Gatherers: Hand Picking Rich Media

The case for mobile rich media starts with the birth of the iPhone in 2007, and Android devices a year later. Mobile phones became relevant media consumption devices, armed with true HTML5 and Javascript capabilities, making a case for rich media advertising. Adobe’s efforts to integrate Flash into this ecosystem weren’t fruitful, and it quickly became apparent that the industry needed to adapt to a Flashless climate.

The App Ecosystem

Another phenomenon that impacted the ecosystem in a big way, and still does, is the introduction of app stores in 2008. On a business level, the app ecosystem presented the industry with its next opportunity or challenge - a new type of go-to inventory, new “premium” and new “remnant” inventory and new ad product paradigms. On a technical level, the app environment was creating fragmentation and inconsistency in ad serving and rendering. While standard banner ad serving was enabled by various ad networks (“ad enablers” as they used to be called), rich media was typically a one-off, hard-coded, on-site type of execution. These executions delivered on agency requirements and briefs, but were costly and inefficient.

Multiple SDKs

In-app mobile advertising requires an SDK to support the display and functionality within the ad. Multiple non-standardised SDK’s were developed by various stakeholders in the mobile ecosystem. Several SDKs supported rich media for apps, but the picture was not complete, because advertisers didn’t have access to a wider spectrum of inventory. What you could do with one publisher could not be achieved with another, and so on. Agencies relied on publishers’ own data, and had to manually process and communicate executions and reports, and there was a lack of transparency in the results. The market contained many small and specific sales-side proprietary solutions, working in silos.

Civilisation - Industry Collaboration to Introduce Excellence at Scale

The advertising community was demanding scalability, accountability and SDK agnostic tools. The first open standard that was introduced to the market was ORMMA (Open Rich Media Mobile Advertising). This transitioned to the Internet Advertising Bureau’s (IAB) MRAID (Mobile Rich Media Ad Interface Definitions) which defined a common API (Application Programming Interface) for mobile rich media ads to run in mobile apps. MRAID includes a standardised set of commands, designed to work with HTML5 and JavaScript, so that rich media ads can communicate what they do (expand, resize, get access to device functionalities such as the accelerometer) with the app they are being served into.
With the adoption of MRAID, third party rich media companies started to offer true ad-authoring tools, specialising in sophisticated rich media for mobile devices. MRAID has made a huge dent in the operational challenge of delivering rich media mobile ads, and as this standard evolves, it will continue to make it faster and easier to get campaigns up and running and make rich media more cost effective and reliable for everyone.

Building Empires – Engagement

Clearly, mobile advertising has entered the phase of acceptance as a real and important medium. Ad networks can now deliver campaigns on a global scale through smartphones and tablets, and new ad paradigms, such as Shazam for TV, are being introduced. With bigger ad spend, premium inventory has arrived, and premium publishers can justify advanced ad products and formats. Truly engaging brand experiences have become possible, integrating advanced animation into games, video and various presentation features. Equally as important, rich experiences can take place within the ad itself, delivering the full engagement experience to the user, without clicking away to another site.

“Clearly, with rich media ads, the clicks are significantly higher,” notes James Chandler, Mobile Account Director at Mindshare. “And tracking allows the stuff you can’t get from a normal banner: rich data dwell time rather than just an impression, as well as the number of returning videos, percentage who watched the videos, how long far and whether they shared it.”

The Opportunity

Until recently, rich media mobile advertising was limited to a few premium national mobile advertising networks offering bespoke proprietary solutions that ran across a number of large publishers. For everyone else, the only mobile advertising options were static mobile banners and non-rich media solutions that lacked the level of engagement that traditional and digital agencies and brands were used to online. For this reason, advertising spend on mobile has remained low compared to other media channels (TV, radio, magazines, newspapers).

Today, however, the situation looks much healthier. Global performance mobile ad networks, with billions of daily ad requests, have enabled rich media on their inventory, making rich media mobile advertising available to all. With the explosive growth of rich media-enabled mobile sites and applications, there now exists the global scale in mobile inventory to meet the demands of advertisers and brands.

The boom in Android and iOS devices has also contributed to rich media shifting from niche to mass market. At present, it is estimated that more than 500 million Android and iOS smartphones and tablets have been activated globally since 2007 (Source: Flurry, Jan 2012). The smartphone boom was triggered by the launch of the iPhone in 2007. During 2011, Apple’s strategy of addressing lower economic segments by reducing the price on older models, coupled with Android’s device range expanding to lower end phones, contributed to high growth numbers, and this has continued into 2012. The much-anticipated launches of the next generation iPhone (version 5) and new Android models in 2012 are forecast to push this cumulative figure to 1 billion worldwide by the end of 2012 (Source: Flurry, Jan 2012).

Rich media represents a significant improvement on static mobile advertising banners, and a move away from the exclusive focus on hard performance metrics like Click Through Rate (CTR) and
Clicks to more emotive metrics around brand engagement and interaction. This should be good news for agencies used to working across traditional media such as TV and radio.

The touchscreen user interface on Android and iOS devices has given way to full-screen brand experiences, multiple calls to action and innovative creative concepts that are not possible on older phones. Today’s rich media mobile advertising offers consumers a seamless in-browser or in-app advertising experience.

Table 1: Smartphone penetration across top 20 countries including Android and iOS market share

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Country</th>
<th>Population (mio)</th>
<th>Mobile phone subscribers (mio)</th>
<th>Smartphones (mio)</th>
<th>Migration Rate</th>
<th>Per Capita Estimated iOS and Android units (mio)</th>
<th>Estimated iOS and Android % of smartphone base</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Singapore</td>
<td>4.90</td>
<td>8.10</td>
<td>4.40</td>
<td>54%</td>
<td>96%</td>
<td>3.05</td>
</tr>
<tr>
<td>2</td>
<td>Hong Kong</td>
<td>8.00</td>
<td>14.00</td>
<td>4.90</td>
<td>35%</td>
<td>61%</td>
<td>3.65</td>
</tr>
<tr>
<td>3</td>
<td>Sweden</td>
<td>9.30</td>
<td>13.60</td>
<td>4.80</td>
<td>35%</td>
<td>52%</td>
<td>3.98</td>
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<td>4</td>
<td>Australia</td>
<td>21.60</td>
<td>29.80</td>
<td>10.20</td>
<td>34%</td>
<td>47%</td>
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<td>5</td>
<td>Spain</td>
<td>45.50</td>
<td>58.90</td>
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<td>46%</td>
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<tr>
<td>6</td>
<td>Denmark</td>
<td>5.50</td>
<td>7.60</td>
<td>2.40</td>
<td>32%</td>
<td>44%</td>
<td>1.71</td>
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<td>7</td>
<td>Israel</td>
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<td>28%</td>
<td>44%</td>
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<td>5.40</td>
<td>9.60</td>
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<td>24%</td>
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<tr>
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<td>4.90</td>
<td>6.20</td>
<td>2.10</td>
<td>34%</td>
<td>43%</td>
<td>1.28</td>
</tr>
<tr>
<td>10</td>
<td>New Zealand</td>
<td>4.30</td>
<td>5.50</td>
<td>1.80</td>
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<td>42%</td>
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<td>11</td>
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<td>13</td>
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<td>8.30</td>
<td>32%</td>
<td>38%</td>
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</tr>
<tr>
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<td>8.40</td>
<td>13.00</td>
<td>3.00</td>
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<tr>
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<td>35%</td>
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<tr>
<td>17</td>
<td>Ireland</td>
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<td>35%</td>
<td>1.28</td>
</tr>
<tr>
<td>18</td>
<td>Portugal</td>
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<td>17.00</td>
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<td>35%</td>
<td>2.04</td>
</tr>
<tr>
<td>19</td>
<td>USA</td>
<td>319.10</td>
<td>319.40</td>
<td>111.80</td>
<td>35%</td>
<td>35%</td>
<td>95.59</td>
</tr>
<tr>
<td>20</td>
<td>South Korea</td>
<td>48.60</td>
<td>54.00</td>
<td>16.40</td>
<td>30%</td>
<td>34%</td>
<td>12.50</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>681.00</td>
<td>259.50</td>
<td>193.19</td>
<td>74%</td>
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</table>

The opportunity with mobile rich media is to deliver compelling branded campaigns that give consumers TV-like experiences, that drive the softer metrics such as awareness, perception and recall, using the same metrics and language adopted on other media channels. Moreover, traditional agencies who have yet to fully explore online may be lured by the attractiveness of tablet devices, smartphones, and a global standard that simplifies the rich media buying process, to give agencies audience numbers that are comparable with primetime TV shows.

Follow the Consumer

Any attempt to chart the growth of rich media mobile advertising has to acknowledge the part played by the two major mobile phone operating systems. There are a number of factors that have contributed to Android and iOS becoming the dominant smartphone operating systems globally. One could argue that the primary factor has been the large touchscreen interface and superior browsing experience that devices built on these platforms offer, coupled with sleek-looking designs. Or the Apple App Store, becoming the catalyst that kick-started the ‘appconomy’ and

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2 Source: The Estimated Android and iOS numbers have been calculated from multiple online sources.
changed (for now) how consumers search, navigate and interact with mobile content, entertainment and games.

These two operating systems have played a fundamental role in creating the platforms for new use cases for consumers, and have been influential in changing our consumption habits on mobile phones. Smartphones are now becoming the first thing we turn to in the morning and the last thing we turn to at night. While commuting, we are maximising idle time by checking emails, reading publications or playing games on our mobile phones and tablets. While at home, we are now increasingly substituting the laptop for the smartphone or tablet, providing instantaneous access to content to meet our ‘info-snacking’ needs while watching TV or during conversations.

According to a study carried out before the Super Bowl in February 2012, nearly half of Super Bowl XLVI viewers would check their mobile device as many as 10 times during the game, and almost a third of viewers under age 45 would watch the game “with device in hand.” With advertisers spending big marketing dollars on Super Bowl commercials, it’s only a matter of time before brands and agencies strike up the biggest Super Bowl campaign yet, integrating TV and mobile, during the game. Mobile rich media would provide a very compelling platform for that superior Super Bowl mobile experience.

Research by Morgan Stanley estimates that by the end of 2013, mobile internet users will overtake desktop internet users globally. This data point distills the size of the opportunity and the challenges on the table for agencies and brands, as eyeballs shift from other media channels to increase time on spent on mobile devices.

**Table 2:** Global mobile versus desktop internet user projection 2007-2015

In 2011, two key things happened to propel rich media advertising on digital devices into a scalable reality. Firstly, smartphone ownership in the UK tipped the scales with smartphones now owned by more than half of all UK phone owners. Secondly tablet ownership became ‘mainstream’ with the launch of the iPad 2 in March, and other serious competitors such as the Samsung Galaxy Tab.

With consumer eyeballs firmly fixed on these devices, advertisers and publishers have realised the potential for engaging consumers. The mobile advertising market is continuing to mature - between 2009 and 2010, the amount spent in the UK increased by 116% (Source: IAB/PWC Mobile Adspend Study), and no doubt the 2011 figures released on 20th March will reveal another stellar year for mobile and tablet ad spend.

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4 Source: Morgan Stanley Research
As smartphone and tablet ownership increases, so the amount of time we are spending accessing mobile content on mobile sites and applications is increasing at a constant rate. An analysis by Flurry, shown in table below, compares daily interaction by US consumers on mobile applications versus desktop. The analysis shows that mobile app consumption more than doubled in 18 months, driven by an increase in the number of sessions.

Table 3: US mobile apps versus web consumption, minutes per day

<table>
<thead>
<tr>
<th></th>
<th>June 2010</th>
<th>December 2010</th>
<th>June 2011</th>
<th>December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web browsing</td>
<td>64</td>
<td>70</td>
<td>74</td>
<td>72</td>
</tr>
<tr>
<td>Mobile app usage</td>
<td>43</td>
<td>66</td>
<td>81</td>
<td>94</td>
</tr>
</tbody>
</table>

With 5.9 billion global mobile subscribers, and an ever-increasing demand for web-enabled devices, the mobile phone has become a powerful advertising tool for brands. This trend will continue as we move towards a mobile-only internet society. In the UK, 22% of mobile web users only access the internet through their mobile device. It’s not surprising, then, that mobile ad spend is seeing continual growth, as advertisers look for new ways to drive awareness and engagement on mobile phones. However, as users can become overloaded with communication messages, it’s the agencies and brands who seek to interact with consumers through targeted rich media advertising who are most likely to achieve maximum cut through.

The current level of creativity on mobile and tablet devices is testament to the maturity of the market. Rich media formats now allow consumers to touch, swipe, shake and even blow on the advertising they see on their phone.

Tablets provide another fantastic space for advertisers to stretch their creative legs. Recent IAB research ‘Three Device Lives: Tablets in Context’, shows how the tablet has become the device for ‘relaxed creativity’. Users spend their time on tablets entertaining and expressing themselves and importantly, they are also shopping on their tablets. Another IAB study, MOJO, shows how tablet owners are spending on average 4.4 hours a week browsing and shopping on their tablets.

First Partner has predicted that by 2015, mobile advertising will be worth approximately £1 billion in the UK, making it, unquestionably, a mass market medium. With continued increases in

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1 Source: Flurry
2 Source: On Device Research research
ownership of high-end hardware, rich media advertising is in a great position to not only become a significant portion of this spend, but also, a vital part of every advertiser’s strategy.

A study by mobile research specialists, On Device Research, on behalf of Sparkler and the Internet Advertising Bureau (IAB) found that mobile usage peaks between 7-9pm, when 67% of people are at home, relaxing or watching TV. The most popular mobile activities carried out by consumers during this time slot are connecting with friends through social networking sites (24%), checking e-mail (23%) and watching entertainment content (11%). Convenience is the key reason why people choose to interact through their mobile device at home versus traditional desktops or laptops - it’s usually beside you, switched on and gives you instantaneous access to information.

Table 4: Day usage for mobile: Smartphone peaks for “ease of pickup”.

Consumers are more relaxed at home, and have more time to digest information, which presents agencies and brands with an opportunity to engage with consumers over a new media channel that’s rapidly commanding more attention than others. According to Adfonic, 28% of consumers receiving mobile advertising on the Adfonic network in the UK connected to the mobile internet via Wi-Fi between 7-9pm. That’s not a surprise given that Wi-Fi delivers a faster desktop-like browsing experience on mobile devices and tablets. More importantly, Wi-Fi delivers a superior, mobile rich media advertising experience.

A further study conducted by On Device Research for Sparkler and the IAB looking at brand effectiveness, highlights that rich media has a deeper brand impact than static advertising. When prompted, respondents exposed to the expandable banner in the test were 25% more likely to remember the rich media advertising than those who saw the static advert. The study also found the rich media advert to be more eye-catching. Furthermore, the study revealed that when targeting specific demographics, rich media is particularly effective with males and the 18-34 and 45+ age groups.
Table 5: Across a one week period on the Adfonic network, Wi-Fi mobile internet connectivity was the dominant access mode for mobile internet surfing and application usage, accounting for 67% of ad requests.
Part 2 - Executing Rich Media Mobile Ad Campaigns

Standards

Innovation in rich media ad serving has created many exciting opportunities for advertisers, but often, the complexity and inefficiencies of running a rich media campaign (cost, process and time) have delayed and inhibited the media buying process for advertisers, and limited the optimal monetisation of content for publishers. Different SDKs had diverse requirements in terms of the APIs they used to communicate with the app, so the same creative had to have its code rewritten in order to run across different apps. Media buyers wanted to seamlessly deliver their campaigns across multiple platforms and devices and were looking for an SDK-agnostic approach.

To address these challenges, the IAB introduced MRAID, a common API for mobile rich media ads that run in mobile apps. MRAID enshrines and solidifies the vendor-driven ORMMA (Open Rich Media Mobile Advertising) API, and attempts to bring together what has been a fragmented space of proprietary software development kits and approaches. With mobile publishers and rich media creative service providers agreeing on a standard, the door has swung open for access to billions of impressions on both mainstream and niche mobile sites and applications.

The IAB and its working groups are agreeing on the MRAID 2.0 standard, which will be available later in 2012.

Measurement

Advertisers have traditionally measured campaign success by the volume of impressions on a given target audience, which was generally defined through offline market research. With digital display advertising, initial customer engagement became directly measurable through clicks, and CTR became the optimisation metric of choice. This also enabled advertisers to move away from broad audience targeting, as smaller pockets of potential customers could be reached effectively, with greater visibility of performance across wider inventory.

Mobile advertising and app install campaigns bring even greater control to advertisers, as campaigns can be directly targeted one step closer to customer acquisition. Some mobile advertising networks started to include code (server-side or client-side) to track the number of mobile app installations from iTunes or the Android market, and code to track conversions for Cost-per-Lead campaigns.

Conversion and install data enables the ad server algorithms to further optimise campaigns, segment the inventory to precisely target increasingly fragmented audiences, and deliver customers at a fixed CPA cost. This continuous optimisation approach reduces the dependency on a priori audience targeting, as new and targeted pools of customers are constantly identified and harvested by automated algorithms.

Combining lifetime value information from customer transactions with mobile advertising network data is the next logical step, and moves the optimisation target one step closer to a target ROI, as advertising spend can be allocated to the pockets of customers that yield the highest profit.
With rich media, advertisers and agencies can engage audiences through an interactive experience, supported by multimedia content such as videos and games, and integration with social networks such as Facebook and Twitter. This format enables advertisers to build a complete customer journey through the ad, without taking the user away from the mobile site or app, or disrupting the user experience.

Although traditional direct engagement measures such as Click Through Rate are used to optimise the delivery of mobile rich media ads, this journey includes many more measurable milestones than a static banner, and advertisers can measure the customer interaction with the brand at a more meaningful level through metrics such as video play time or social activity.

Mobile advertising also provides a robust platform to accurately measure the longer term impact of the campaign on brand awareness and purchase intention. An IAB Rich Media Brand Effectiveness Study conducted in July 2011 analysed the impact of a John Lewis rich media campaign in a controlled environment. Unprompted brand awareness was measured as 822% higher following the mobile campaign, and rich media generated a 30% uplift, when compared to a static banner.

Advertisers running post campaign surveys following a rich media campaign can gain valuable insight on performance across platforms and demographics, by measuring brand awareness or purchase intent uplift observed among the campaign audience and using this data to further optimise the campaign.

While advertisers often measure the aggregate performance of integrated campaigns running across TV, online and mobile, the problem of isolating and quantifying the impact of each channel is complex.

Customers are often exposed to several channels, all of which influence the purchase decision. Systematic surveys of an opted-in sample of users to link their online, mobile and TV usage to their purchasing behaviour, provide a clearer measure of the incremental impact of each channel.

Table 6: Overview of measurement for mobile advertising models

<table>
<thead>
<tr>
<th>Optimisation methods</th>
<th>Optimisation methods</th>
<th>Optimisation methods</th>
<th>Optimisation methods</th>
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</thead>
<tbody>
<tr>
<td>Impressions</td>
<td>Clicks</td>
<td>Conversions</td>
<td>Basic post conversion data (did / did not purchase)</td>
</tr>
<tr>
<td>CPC</td>
<td>CTR</td>
<td>CPI</td>
<td>Short term revenue</td>
</tr>
<tr>
<td>CTR</td>
<td>Control over cost per visit</td>
<td>Direct connection between revenue and spend</td>
<td></td>
</tr>
<tr>
<td>CTR</td>
<td>Does not account for customer propensity to convert</td>
<td>Time delay between initial conversion and revenue data</td>
<td></td>
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<tr>
<td>Offline measures of awareness</td>
<td>Control over cost per install</td>
<td>Some app installs are more valuable than others</td>
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<tr>
<td>Challenges</td>
<td></td>
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<tr>
<td>Not reconciled with actual revenue</td>
<td>Does not account for customer propensity to convert</td>
<td>Performance is best on WiFi networks</td>
<td></td>
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<td>Mobile Rich Media Ad: Measurable CPM model</td>
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<tr>
<td>Optimisation methods: Clicks</td>
<td>Advantages: Progressive customer milestones from Click to registration within the rich media ad</td>
<td>Challenges: Performance is best on WiFi networks</td>
<td></td>
</tr>
<tr>
<td>Engagement with games &amp; video</td>
<td>Increased conversion and brand recall</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social activity</td>
<td></td>
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How To Do Rich Media Mobile Advertising

The process to get a rich media campaign live involves a number of simple steps, and the involvement of various stakeholders. The table below outlines the typical steps used.

**Table 7: Typical steps to get a rich media campaign live**

**Brief:** The process starts with the agency receiving a brief from a client regarding a particular business need. At this stage, the agency’s main purpose is to fully understand the brief and the client’s marketing objectives. A common brief relating to rich media is a plan to drive a brand’s product awareness during a set timeframe, typically surrounding a product launch. Research is often required in order for the agency to effectively assess the best rich media features for meeting the client’s objective, such as insights into mobile consumer behaviour.

**Pitch:** Following the acceptance of the brief, the agency’s client services team will collaborate with the creative director and creative team to storyboard or bring ideas to life in order to meet the requirements of the brief. This involves building a creative idea or concept around the client’s objective. Research is also taken into consideration. The versatility of rich media becomes evident at this stage, as a wide range of rich media features can be considered as a means of achieving the brief’s objective.

If the agency does not have in-house rich media creative skills, the major global ad networks now have dedicated creative services teams for delivering concepts and storyboards.

**Build:** Agencies normally work with a rich media vendor who will provide a typically self-service platform that pulls together the rich media creatives and builds the user journey. The output of this process will be ad tags that need to be passed to the mobile ad networks that support that rich media vendor.

**Distribution:** To set up the campaign, a media plan has to be proposed by the agency to the client. The agency will negotiate with media owners for the best rates.
Optimisation: Once the rich media campaign has been launched, it can be optimised through tracking and analysis. In-depth analytics are a means for campaigns to be assessed and improved, depending on the type of campaign. Information regarding the number of impressions, number of video plays, extent of sharing and viral effects, and time-based or touch-based metrics are some examples of data that rich media platform vendors can provide. Mobile ad networks provide data up to the initial click or impression. The rich media platforms provide the data post click. This data is usually aggregated by the media owners and prepared by the agency for analysis.

Creating Engaging Rich Media Mobile Advertising

The story of rich media mobile advertising is best seen as a move from broadcast to engagement. In truth, rich media is not the most descriptive of terms, as it simply implies the use of video and imagery. This is a legacy from the fixed-line internet, dating back to the time when people were amazed at the fact that it was possible to play a video online as part of an ad unit.

The term rich media has transferred to the world of mobile advertising, but in this context, it’s really all about engagement, interactivity and involving users in the creative, and in a dialogue with the brand, rather than simply broadcasting a one-way message to them.

There are two fundamental approaches to advertising: broadcasting and engagement. Firstly, we have the broadcast model (think most ads for detergent). In this case it’s all about broadcasting a message to as many eyeballs as possible. It doesn’t matter how stupid, ugly or boring the message is, if people see it a lot, they will remember it, and it will influence their purchase intent as consumers. In display advertising, this applies to banners which don’t engage with the audience - they are broadcast and targeted at massive scale, but the creative isn’t seen as being that important.

On the other hand, we have the engagement model, in which brands present their products to users and engage the user in a dialogue with the product. This assumes that those people who see the advertising are users (as opposed to consumers) and they are informed, intelligent and want brands to communicate with them in the right way.

Engagement occurs when users can interact with a brand and start or continue a dialogue, in a controlled environment. The environment is controlled to ensure that the dialogue / conversation is directed in the right way. Rich media advertising is able to present to users what the real value of the brand is. Users can then become brand advocates through sharing via social media and other channels.

Rich media platforms should be designed so that when an ad is built, most of the features available encourage the designer to build an engaging ad experience for users, including gamification, social media, localised content etc.

Most importantly, mobile advertising on smartphones provides the only environment where users are able to physically “touch” the brand with their fingers. Through that process of engagement, the user will be in a better emotional state to buy, or show intent to buy, something from that brand.

“Genuine, physical interactivity through gesture control is [mobile rich media’s] biggest strength, which I think makes it one of the most emotive channels we have to use,” says Mark Brennan, Head of Mobile at Carat UK.
Rich media ads should have a very clear flow that begins with a “hook”. This hook is where the user is able to “touch” the brand through tilting, shaking, swiping, wiping or tapping the device.

From this initial touch, the user can then engage with the brand by getting involved with the creative, perhaps by playing a game, creating something (drawing, dragging etc.), or swiping through an image gallery.

At that point, the user has engaged with the brand and, in the case of pure branding campaigns, the campaign goal has been achieved.

For acquisition campaigns, this user flow continues to acquisition. Now the user has engaged with the brand they are in a far better emotional state to provide their email address or phone number, to tap-to-call, to download an app, to go to a mobile website or to buy something.

This shows the difference between the broadcast and engagement approaches to advertising. Instead of broadcasting a message and trying to force users to do something, you can engage them with the brand.

It is important to remember that we don’t need to use rich media for the “wow” effect (i.e. what it looks like). We're using rich media primarily because it’s more successful in driving engagement and sales.

In 2007, a Forrester research paper outlined a new approach for marketers which focused on engagement. They found that purchase intent increases significantly using engagement, rather than the broadcast approach. In the study, engagement methods delivered higher ROI eyeballs as marketers gained a more holistic understanding of their customers.⁷

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⁷ Source: Forrester Research
Part 3 - Rich Media Mobile Advertising in Action

Here are some examples of successful mobile rich media ads units.

GroupOn:
This is an example of an acquisition ad for GroupOn. The ad begins with a hook: an interesting animation that invites the user to play a whack-a-deal game. With this ad, 95% of the users who started playing the game finished the game. Following the game, the ad ends with acquisition; the user is invited to download the GroupOn app.
Create your Starbucks Signature!

With over 87,000 combinations of Espresso Beverages at Starbucks, you’re sure to find your signature.

Select a Starbucks drink below

- Caffè Latte
- Vanilla Caffè Latte
- Cocoa Cappuccino
- Caffè Mocha
- Caramel Macchiato
- Caffè Americano
- Cappuccino
- White Chocolate Mocha

Learn More at MyStarbucksSignature.com
This is an example of a branding ad for Starbucks. This is a very effective funnel ad that takes the user quickly through an easy journey and doesn't force them to make too many choices. The ad begins with a hook: the user picks their favourite coffee. Following this initial engagement, the ad then introduces a new concept - Starbucks Signature - which is what the ad is all about, as the
campaign was used to launch a new brand identity. The ad unit enabled the user to touch the brand by using their fingers to draw on the cup. This process of “touching the brand” doesn't happen anywhere else in advertising and is extremely powerful. Enabling the user to create their own Starbucks Signature tells the user that Starbucks is listening to them and personalising the product just for them. Following this positive interaction, the user is then in the right frame of mind to watch the video and view the gallery of signatures.
Part 4 - Rich Media Mobile Versus Other Media

According to the International Telecommunication Union, there are 5.9 billion mobile phone subscribers in the world. That’s 87% penetration worldwide\(^8\). In other words, more people have mobile phones than TVs or computers. Moreover, according to e-Marketer, time spent on mobile devices vis-à-vis other media has increased by 100% in two years, yet mobile does not get a proportionate share of ad spend.

**Table 8:** Total media spend versus time spent analysis (Source: E-Marketer)

<table>
<thead>
<tr>
<th>Performance channels</th>
<th>2008</th>
<th>2010</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Time Spent Share</td>
<td>Ad Dollars Share</td>
<td>Time Spent Share</td>
</tr>
<tr>
<td>Total Performance</td>
<td>28.7%</td>
<td>15.1%</td>
<td>36.0%</td>
</tr>
<tr>
<td>Internet</td>
<td>23.3%</td>
<td>14.9%</td>
<td>25.9%</td>
</tr>
<tr>
<td>Mobile</td>
<td>5.4%</td>
<td>0.2%</td>
<td>10.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Branding Channels</th>
<th>2008</th>
<th>2010</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Time Spent Share</td>
<td>Ad Dollars Share</td>
<td>Time Spent Share</td>
</tr>
<tr>
<td>Total Branding</td>
<td>71.3%</td>
<td>84.9%</td>
<td>63.9%</td>
</tr>
<tr>
<td>TV</td>
<td>43.2%</td>
<td>38.5%</td>
<td>42.5%</td>
</tr>
<tr>
<td>Radio</td>
<td>17.3%</td>
<td>11.2%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Newspapers</td>
<td>6.5%</td>
<td>23.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Magazines</td>
<td>4.3%</td>
<td>13.2%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Reaching today’s consumer audience requires a media mix developed around the established marketing principles of Reach, Frequency and Relevance. Given the media fragmentation in the table, it presents challenges for agencies and marketers, at the same time as presenting opportunities. What’s clear for mobile advertising and rich media is the need for further education, research and data to support increases in brand recognition amongst the population exposed to ads across multiple channels.

According to the e-Marketer study, mobile remains under-represented in terms of the ad dollars spent in the channel. The data in the table shows the status quo as of 2010, with mobile getting just 0.9% of all ad spend, while delivering 10% of time spent. If one can paint a scenario whereby by mid 2012, we are spending 20% or more of our time on mobile, and ad dollars have only shifted marginally towards addressing reach, frequency and relevance, one could argue that advertisers that are slow to react will miss out on opportunities to develop brand awareness with mobile audiences.

The reverse is also true, in that advertisers that embrace mobile as early adopters and drive results for their brands will develop the insights and measurements needed to inform media spend by channel.

The table below outlines the relative strengths and weaknesses of TV, print and mobile rich media advertising. The table was compiled via interviews with heads of mobile within large digital agencies and marketers within brands who are running advertising campaigns.

Table 9: Relative strengths and weaknesses of advertising options alongside mobile rich media

<table>
<thead>
<tr>
<th>Channel</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| **TV**  | • Powerful at driving emotions  
          • Proven to complement other media channels  
          • Scale and awareness - people still get excited about innovative and ground breaking ads  
          • Best channel for telling brand stories | • Measurement - metrics are based on small sample sizes  
• Targeting is limited to TV shows/channels |
| **Print** | • Great in terms of quality content  
         • Offers an opportunity to be very artistic; it's less restricted, and more creative | • Lacks interactivity  
• I know exactly how many have seen a text message, but in print, circulation doesn't equal the number of eyes on an ad |
| **Mobile** | • Combines the best of all channels - the emotion of TV, the quality of press and the social and interactivity of digital, all combined with the power of physical touch  
         • Rich media campaigns produce results above and beyond standard mobile ads, which are already great | • Biggest concerns are signal and coverage  
• Tracking not yet on a par with online display advertising  
• Mobile ads need to take a step towards telling more stories and giving consumers more of an emotional experience  
• Banners are always going to struggle to deliver the same kind of content, but expandables are getting there |

*Source: Interviews with advertising agencies and brands.*
Conclusion

So where are we in the evolution of rich media mobile advertising? The journey is not over, to be sure. New devices will spawn new techniques and further unleash the creativity of the brands and the agencies that create their campaigns. But be in no doubt - rich media is here right now, and already being deployed to great effect by brands across different verticals, from automotive to entertainment, and from retail to financial services.

The issues around standards have largely been addressed with the introduction of MRAID, and with the launch of V2 later this year, the issues around scale and single buying points will also be addressed. On the subject of scale, mobile rich media is no longer a niche undertaking - virtually all the major mobile ad networks and exchanges, both premium and performance, support rich media advertising, enabling brands to use rich media for branding and direct response campaigns as they choose, and offering billions of rich media enabled mobile site and app impressions. They also offer a more cost-effective advertising model, in comparison to the rich media options previously offered by niche ad networks.

From the agency standpoint, the process of creating rich media mobile advertising has been greatly simplified, enabling agencies to turn round tactical campaigns rapidly to meet sales targets. And such is the sophistication of rich media mobile advertising that often, a campaign does not even need to lead to a destination mobile property. The rich media content itself can function as a self-contained unit.

The final piece of the jigsaw, of course, is the consumer. We are all, as consumers, spending more and more time with our mobile phones, using them as the remote control for our lives. People turn to their mobile and tablet in preference to their PC, and while the PC still, for the moment, dominates the workplace, at home, in the evenings, the mobile and tablet rule the roost.

Mobile web browsing is on the increase; app usage is on the increase, and when combined, mobile sites and apps deliver a larger audience than many primetime TV shows. Added to this, the whole app phenomenon has conditioned us to expect a richer experience from the content we consume on our mobiles. This, of course, extends to the ads we look at, so it’s no surprise that rich media mobile advertising delivers better results than static banner ad campaigns.

As brands realise the potential of mobile rich media, the advertising dollars will surely follow. The amount of money spent on mobile advertising is massively disproportionate to the amount of time consumers spend on mobile. This will inevitably change as brands realise that, using rich media, mobile can be used as a highly effective branding tool. The research already exists to show how effective it is in this respect. All it needs now is for more brands to start believing it.

David Murphy

Founder and Editor, Mobile Marketing Magazine
Companies that interviewed / contributed to this white paper

- Adfonic: Paul Childs
- Celtra: Jonathan Milne
- Fetch Media: James Connelly
- On Device Research: Alistair Hill
- IAB UK: Alex Kozloff
- Carat UK: Mark Brennan, Head of Mobile
- Ogilvy Group UK: Scott Seaborn Group Head, Mobile Technologist
- Mindshare: James Chandler Mobile Account Director
- MediaCom: George Dixon, Manager - Mobile and Digital Media
- MEC: Jide Sobo, Head of mobile & Kamil Yadallee, Emerging Platforms Director