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Mobile Advertisers Buying Into High Response Rates

The mobile ad space is percolating with interest from investors, and analysts are talking about explosive growth over the next three years. Yet few in the industry are pointing to real marketing results from mobile campaigns. That's one reason a campaign created by **Isobar** for **Adidas** is striking. An internal branding study of its impact showed a 69 percent increase in intent to purchase Adidas products and 87.5 percent of people who interacted with the ads on their handheld devices. Skeptical execs told researchers to confirm the figures. They did.

The campaign (still running at www.adidasbasketball.com) is based on the concept *Basketball is a Brotherhood*, a teamsport above all else. Targeting boys and girls aged 13 to 19, it features players such as **Kevin Garnett**, **Tim Duncan** and **Tracy McGrady** touting virtues like "family," "sacrifice," and "we, not me." Mobile viewers who click a text ad are sent to a specially built mobile website where they can choose from a handful of options, including a call to KG, tailored voicemail on their phones from the stars, specialized ringtones, and wallpaper. Five million mobile impressions drove 75,000 pageviews to the mobile site in the first week, and some 8,000 people opted in, providing their cell phone numbers. About 1,000 of those people clicked to call Garnett, and 18 percent of those called him again. The research also found that mobile outperformed all other media for driving opt-ins at a fraction of the cost. "It was very authentic. There was no overt advertising," **Gene Keenan**, VP of Mobile Strategy for Isobar told *JackMyers Media Business Report* in an exclusive interview. "There was no push to buy."

A recent [JackMyers survey](#) of nearly 500 teens aged 15 to 17 found that 37 percent report they frequently or occasionally view news and/or sports videos on their cell phones and 73.5 percent frequently or occasionally send text messages from their cell phone. Thirty-seven percent say they are likely to pay attention to video advertising on cell phones and 31 percent are likely to pay attention to text advertising on cell phones.

Isobar worked with a number of partners, including **Veritalk** for the voice technology, **Neighborhood America** for customized SMS text messages, and mobile ad-serving specialists **AdMob**, one of a handful of mobile ad companies that have raised millions of dollars from investors in recent months. To hit the demographic target, AdMob relied on data from **M:Metric** and put the ads on teen-heavy mobile carriers such as **Burst**, **Virgin Mobile** and **T-Mobile**, on devices popular with the group, and on mobile websites the sports-inclined among them tend to visit. AdMob VP for ad sales **Tony Nethercutt** says targeting for mobile has improved markedly from the days when, as with the early Web, "you had to go to great lengths to try to cobble together any reach. Once you narrow for the type of device and the carrier, you can get pretty good targeting" among about 30 to 40 million people in the U.S., he

says.

Executives involved with the Adidas campaign wouldn't specify the dollars spent on mobile but said it was less than one percent of the total budget. "TV took almost all the money. We had to be really creative," Keenan said. "As [Carat Americas CEO] **David Verklin** points out, "when you look at the campaigns that are most creative and innovative, it's often the ones with the smallest budgets."

Mobile's Boom Goes Beyond Test Phase

[JackMyers Media Business Report](#) projects mobile advertising will increase 120 percent to \$1.1 billion in 2008 and 120 percent again in 2009 to \$2.44 billion. **eMarketer** predicts U.S. mobile ads will grow to \$4.75 billion in 2011. **eMarketer** senior analyst **John du Pre Gauntt** believes we'll see the first million-dollar mobile ad campaign this year. "We've probably gone from an average campaign size of \$30,000 to an average of \$60,000, \$70,000 or \$80,000," including test buys, says AdMob VP of Marketing **Jason Spero**. He claims 70 to 80 percent of clients renew because they're so satisfied with the results.

Which is not to say, of course, that all mobile campaigns will be effective. There's still a lot of disruption and disarray in the space (see [JackMyers Media Business Report, January 8](#)), and rare is the campaign that is implemented in an integrated fashion across platforms. The mobile phone is an effective medium not only because it's a personalized and very personal device, but also because it's relatively uncluttered, and, so far, free of major backlash from consumers upset at having to pay for their service and also see ads. "I'm not saying we're going to stay at two and three percent click-through rates forever," Spero says. "But I do think that an offer can be more contextual and more appealing on a cell phone." At the end of 2005, direct marketing experts **Marketing Sherpa** found in a survey that mobile was the top arena in which media buyers would be willing to spend \$100,000 to experiment. 2008 looks to be the year of moving well beyond the testing phase.

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