

Creating an Effective Mobile Advertising Ecosystem

The mobile advertising space is poised for growth

However, the promise of significant revenues has predictably caused a meteoric rise in the number of companies jockeying for position, muddying the waters and making it increasingly difficult for companies across this emerging business ecosystem to work together to achieve positive results.

“Fragmentation and lack of scale have acted as a brake on mobile advertising, deterring the advertising community and slowing overall growth. Alcatel-Lucent’s aggregated approach is working to address these issues and as such is a positive step in the right direction.”

EDEN ZOLLER,
PRINCIPAL ANALYST, OVUM CONSUMER PRACTICE

This lack of consensus has created a congested value chain and slowed momentum in the mobile advertising space. The creation and delivery of mobile advertising, a form of content and communication, involves a wide variety of stakeholders and shareholders.

“Topping the laundry list of challenges was wide-spread confusion over the mobile advertising value chain. Ensuring that all the companies understand and agree on the number and types of companies that have earned their seat at the table is key to unlocking the vast potential of mobile advertising.”

MOBILE ADVERTISING RESEARCH U.K.

Meeting each stakeholder’s needs

An effective mobile advertising solution serves the needs of three distinct groups: mobile operators; brands, marketers, media buyers and sellers; and subscribers.

Mobile operators

Issues: Most mobile advertising is delivered over the top (OTT) of their networks by application and content providers (market rivals including Google and Apple). As a result, mobile operators are providing the pipes (for advertisers to communicate with their subscribers), but not getting a great return on that investment.

Answers: Mobile operators require a solution that enables them to become a full participant in the mobile advertising value chain, and reap a share of the revenues generated. They also need a solution that allows them to offer media (advertising inventory) that meets brand requirements, while allowing subscribers the opportunity to engage in relevant conversations with the brands they love. Finally, they can benefit from a solution that helps them aggregate their advertising inventory with other mobile operators’ inventories to make sure advertisers can distribute their advertising message to a wide audience— beyond local boundaries to national and international audiences.

Brands, marketers, media buyers and sellers

Issues: Brands want to deliver their message to consumers who are most likely to listen and respond. Thus, they require access to a highly responsive, scalable and effective mobile media that is permission- and preference-based and can be targeted to specific user profiles. And they must reach the members of a target demographic in a region or country, not just a wireless network.

Answers: Brands require a permission-based solution that delivers reach, interactivity and response. They also require a single entry point that provides them access to the inventory of multiple mobile operators, and a simple interface that allows them to book mobile advertising campaigns, receive consistent reporting, and measure ROI.

Figure 1. The stakeholders in the mobile advertising value chain



Subscribers

Issues: Surveys show consumers want valuable information and offerings from the brands they are most interested in. They also demand control of their personal information and preferences.

Answers: Consumers require a permission-based approach that puts them in the driver's seat. They want to be sure they only get information they want, and they want to know their privacy is always safeguarded.

In summary, effective mobile advertising is relevant, transparent and opt-in.

It also delivers reach (across multiple mobile operator networks); encourages interactivity (through a dialogue with subscribers who have opted-in to receive mobile advertising messages); and achieves a high response rate (by providing consumers information from the brands they say they want to hear).

Come together

Effective mobile advertising requires companies across the emerging mobile advertising value chain to work together to sort out business models, identify opportunities and make media selling simpler for everyone.

"Can companies and brands rise to the challenge and cash in on the mobile marketing opportunity? While many have added mobile to the marketing mix, many more admit they lack the skills to define and deploy a mobile strategy from end to end. For this they look to enablers, providers and third-party partners."

NETSIZE MOBILE MARKETING SURVEY 2009
(1,000+ MOBILE PROFESSIONALS POLLED)

To help build an effective mobile advertising marketplace and encourage the creation of a healthy business ecosystem, Alcatel-Lucent has joined with key stakeholders and shareholders — including mobile operators, media agencies and professional mobile advertising organizations. The result is the Alcatel-Lucent Optism™ Mobile Advertising Solution.

The Optism Mobile Advertising Solution goes beyond just technical capabilities. It covers everything from go-to-market support for operators to media sales and campaign support towards advertisers.

The solution provides:

- Mobile operators with an innovative way to grow revenues by offering value-added services and improving subscriber experiences.

- Brands the ability to connect with subscribers through relevant interactions that fit their lifestyles.
- Subscribers control over the brand communications delivered to them via interactive SMS and MMS messaging.

Optimal results with Optism

The Optism Mobile Advertising Solution is designed from the ground up to resolve the relationship gap between advertisers, mobile operators and consumers.

To manage the relationships and deliver results to companies across the ecosystem, Alcatel-Lucent has created a media facing arm within the Optism Mobile Advertising Solution.

The media arm brings together a wealth of experienced advertising and mobile marketing professionals. It is responsible for building commercial relationships with global brands and agencies to facilitate the sale of mobile operators' media inventory.

"We are thrilled to have Alcatel-Lucent join as a Premium Member as the company's leadership and global strength is beneficial to the entire ecosystem. They have a unique ability to provide end-to-end communications solutions that can help to drive the mobile marketing industry to bring new services and capabilities to market."

FEDERICO PISANI MASSAMORMILE, INTERIM CEO OF THE MMA

At the heart of the Optism Mobile Advertising Solution is the advertising platform, fully hosted and managed by Alcatel-Lucent. The platform connects directly into mobile networks offering a single entry point for advertisers to multiple mobile operators. It also provides advertisers with a simple method of booking campaigns and ensures consistent reporting.

More is better

No one company can deliver effective, permission-based mobile advertising alone. What's more, advertisers' requirements for reach, interactivity and response are only met when stakeholders and shareholders – specifically, mobile operators, brands and consumers – participate in a robust ecosystem where everyone benefits. Alcatel-Lucent understands this business imperative. Together with partners it has designed and commercialized a mobile advertising solution that orchestrates the capabilities of companies across the business ecosystem, allowing them to work more collaboratively and participate freely in value creation.

www.alcatel-lucent.com Alcatel, Lucent, Alcatel-Lucent and the Alcatel-Lucent logo are trademarks of Alcatel-Lucent. All other trademarks are the property of their respective owners. The information presented is subject to change without notice. Alcatel-Lucent assumes no responsibility for inaccuracies contained herein. Copyright © 2010 Alcatel-Lucent. All rights reserved.
CM02023100405 (04)