

ANA

MAGAZINE

THOUGHT
LEADERSHIP
SERIES

Sponsored by ANA
Thought Leadership Partner

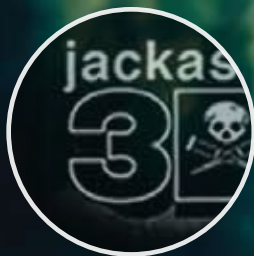


millennialmedia®
The Mobile Advertising Platform

PRIMED FOR TAKEOFF

Why spending
on mobile video
advertising is
projected to
skyrocket

PAGE 3



MOBILE VIDEO: AN EASY SELL
Coldwell Banker's David Marine
on the benefits, drawbacks of
mobile video

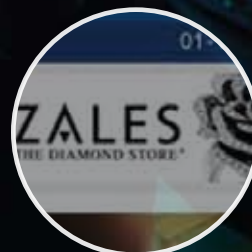
PAGE 5

SHOW YOUR CREATIVITY
How to plan a more effective
mobile display advertising
campaign

PAGE 7

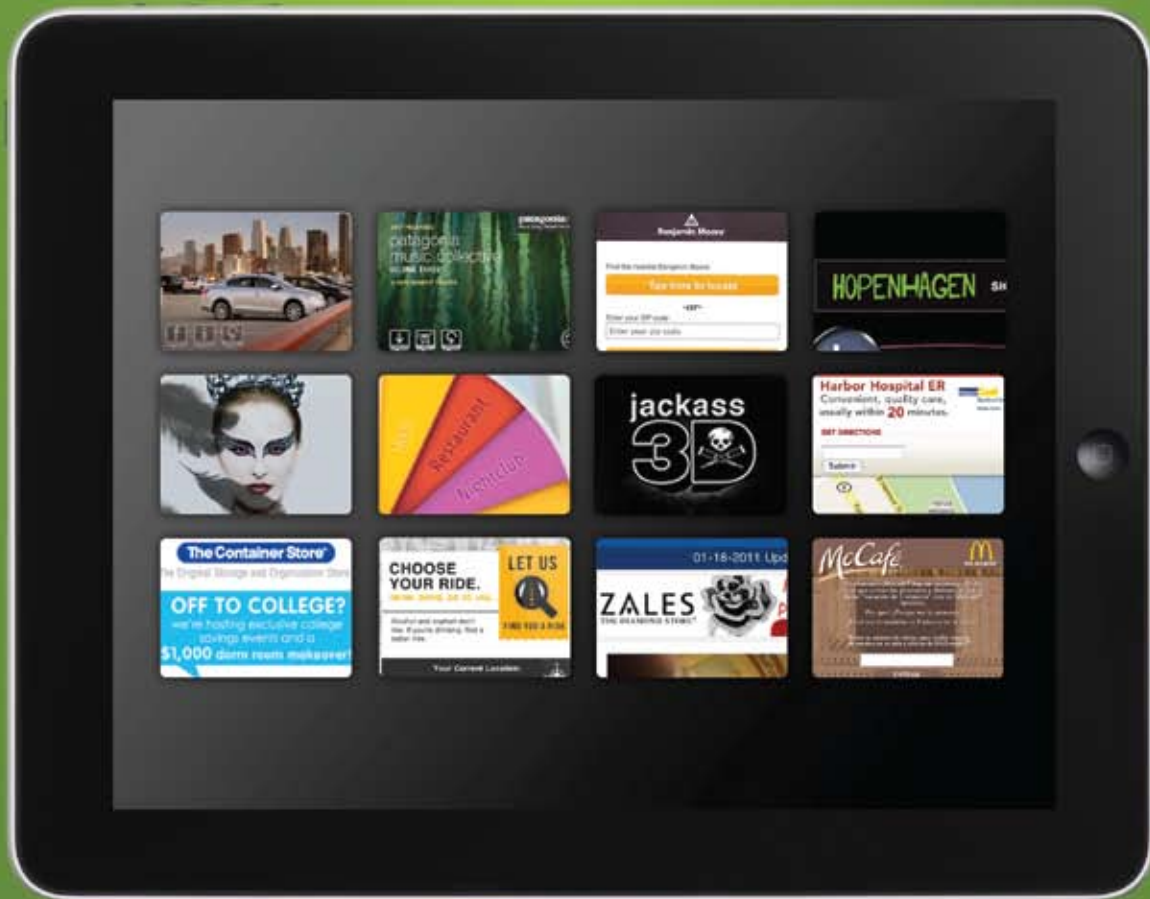
THE MOBILE ERA 5 YEARS IN
What do the changes to mobile
devices mean for brand marketers?

PAGE 10



NOVEMBER 2011

The Biggest Brands in the World are Succeeding in Mobile with Millennial Media



Millennial Media is helping advertisers succeed in mobile. Through innovative creative units, elegant targeting and the unparalleled ability to engage consumers at scale, Millennial Media delivers results for some of the world's top advertisers. To find out how brands like Benjamin Moore, Buick, Paramount Pictures and Patagonia are succeeding in mobile, visit www.millennialmedia.com/campaign-summaries.



primed for takeoff

As brands accelerate the use of videos to reach consumers, spending on mobile video advertising is projected to skyrocket

BY MICHAEL J. McDERMOTT



MARTIN HAYWARD, director of marketing at Mirror Image Internet, a global content delivery network based in Tewksbury, Mass., doesn't mince words when he speaks to the power of video: "If a picture is worth a thousand words, then video is worth a billion words."

There may be no arguing with his

valuation given the latest statistics from eMarketer on mobile video advertising. While video currently accounts for the smallest piece of the U.S. mobile ad spend pie (an estimated 4.7 percent in 2011, or \$57.6 million), it is projected to grow at a compound annual rate of 69 percent over the next four years. If that projection is

accurate, spending on mobile video will reach \$395 million by 2015, or 9 percent of all U.S. mobile ad dollars.

Among the many factors driving that brisk growth, there are four that stand out to Scott Berg, director of digital marketing and ecosystems at HP:

- Dramatic declines in the cost of data

plans over the past few years, allowing more people to access videos and other content from their mobile devices in a much more cost-effective manner.

- Accelerating use of videos for marketing and communication purposes across all channels. “Consumers and businesses are finding the medium much more intuitive and authentic than merely posting readable content,” Berg says.
- An exponential increase in the supply of video content produced by both marketers and the general public.
- A very low “comfortability” barrier due to the fact that consumers are already “pre-programmed” to watch video thanks to their TV and movie-viewing habits.

Uniquely Personal

Mobile is a unique and extraordinary medium for reaching consumers because they treat their mobile devices as part of their very

the Internet for any purpose, adding to the urgency for marketers to embrace all kinds of mobile advertising, especially video. “Marketers have to ask themselves what their business would look like if 50 to 90 percent of it were driven by mobile,” says Michael Becker, managing director, North America, of the Mobile Marketing Association. “That’s going to happen, so they really need to start preparing for it now.”

Brands Taking Action

Mobile video gives brands the ability to engage with consumers anywhere — most importantly at the point of sale — using nonstatic and engaging content, says Rob Friedman, cofounder and executive vice president of Digital Element, a Norcross, Ga.-based provider of IP-to-location data technology. “Consumers have become numb to static online ads,” he points out.

“The power of mobile video to create engaging content — some of which is nearly indistinguishable from other video content — can capture the attention of an otherwise uninterested audience.”

Brands are harnessing that power and putting it into action. Almost all of Microsoft’s mobile campaigns — whether they’re B2B (Cloud and Dynamics) or B2C (Office and Xbox) — include mobile video. “As long as the content is relevant and the video is formatted for mobile, everyone loves it,” says Barbara Williams, the company’s mobile marketing global practice leader. “We even have a mobile website dedicated to our videos, Microsoft Showcase.”

Overall, the results of mobile video advertising at Microsoft have been “stellar,” with the software giant consistently increasing its spending on a variety of formats, including rich media/video in-app ad units and banners driving to videos on mobile-optimized sites, Williams says. In both cases, audiences click to watch the featured video and are given the opportunity to watch other videos and share their favorites via social networking.

HP is also deeply involved with mobile video, “as we are with all digital media types,” Berg says. The company maintains a very active HP Channel on YouTube, where it posts videos and self-help information, and it’s in the process of beefing up the video offerings accessible via its mobile website. Technology self-help videos, consumer-generated video, video chat functionality, in-video product information, and video blogging are all areas where HP is adding to or expanding its mobile capabilities.

Within the next five years, mobile devices will surpass PCs as the most popular way to access the Internet for any purpose.

identity, says Victor Milligan, chief marketing officer at Waltham, Mass.-based Nexage, which provides a real-time bidding exchange for mobile advertisers and mobile app developers/publishers to buy and sell impressions. Consumers now spend more time in mobile apps than they do on Web consumption (mobile and desktop combined), according to Flurry, a mobile analytics firm based in San Francisco.

The highly personal nature of mobile devices and the time spent using them are creating a massive opportunity for advertisers, Milligan says. “Rich media and video ad units tend to operate more gracefully in both web environments and in-app advertising, creating a more pleasing experience for consumers — and a substantially higher engagement rate,” he notes. Brands see the same phenomenon, and they understand the power of mobile advertising to drive linear (direct engagement) and nonlinear (the triggering of an in-store purchase) value, he adds.

Within the next five years, mobile devices will surpass PCs as the most popular way to access

Rates of Success

According to research conducted by Rhythm NewMedia, a Mountain View, Calif.-based agency that executes mobile campaigns for some of the world's largest brands, mobile video advertising is being consumed primarily in three ways: interactive in-stream, interactive pre-roll, and tap to interactive video. In the first case, ads appear as an in-stream commercial break in full episodes of shows or other long-form content, or in-stream before video clips; in the second, they appear at application launch or, in the case of games, between game levels and other screen changes; and in the third, ads are inserted throughout the application experience — i.e., when a user is reading an article, viewing a photo, or playing a game.

Tap to interactive video is the most popular format, accounting for 60 percent of user consumption, but it also has the lowest completion rate (i.e., seeing the video through to the end), just 21 percent in the second quarter of 2011, according to Rhythm NewMedia's research. Interactive pre-roll accounts for 25 percent of usage and has a 27 percent completion rate, while interactive in-stream accounts for just 15 percent of usage but has a completion rate of 87 percent. Of note to marketers, in-stream's completion rate is consistently high across categories — CPG, entertainment, auto, telecom, retail, and travel — while completion rates for interactive pre-roll show a much wider range of variance across categories.

The demographics for mobile video ad viewers skew younger, Berg says, but as smartphone adoption rates continue to grow, he expects to see inroads into older age groups. "What's interesting is that more and more B2B customers are utilizing videos to help them better understand product features and benefits, and they're using those videos in their Power-Point and sales presentations," he says. Microsoft is using mobile-optimized surveys launched from the mobile site containing the video, as well as in-lab studies, to help the company identify its mobile video ad viewers and their consumption patterns.

However, the current range of options that tell advertisers who is viewing their video ads and how they are using that information needs further development. "There are a number of options, but none of them are as robust or detailed as we might like," says Andy Wasef, head of mobile and emerging platforms at

ANA MEMBER Q&A

MOBILE VIDEO: AN EASY SELL



ANA Magazine caught up with David Marine, senior director of consumer engagement at Coldwell Banker Real Estate, for his perspective on mobile video advertising.

Q. What is Coldwell Banker doing in mobile video marketing these days?

A. We are huge proponents of video. It touches everything we do. In fact, we made it the centerpiece of our iPad app because we realized that the tablet is made to watch videos. All the videos on our YouTube channel (*Coldwell Banker On Location*) can be accessed through our iPad app. We were the first marketer to test video within full-screen tablet ads, and so far the results have been great, with engagement times on our ads extending beyond even the length of the video.

Q. What do you see as the major benefits and drawbacks of mobile video at this point?

A. One of the biggest benefits is the ability of video content to cut across multiple devices, ad platforms, and networks. It's one of the few advertising venues in which you don't need to tweak your content to work across consumer devices, as you do with ads and even with some mobile display networks. Data speeds are currently the biggest pitfall. Consumers crave mobile video content, but marketers are still dependent on the carriers, devices, and data plans of end users to make their content look and feel the way they want it.

Q. As a marketer, how does dealing with mobile video differ from other types of mobile marketing?

A. Mobile video is more about consumer engagement than any other type of mobile advertising. With mobile display, you're looking for a click/touch on a banner based on a very simple piece of creative and a call to action. With video, you're opening yourself up to consumers in a bigger way by telling a story through video that you hope intrigues them enough to get them to follow through. Video gives you more rope to play with to entice your target, but it can also turn off consumers if the message isn't good enough.

Q. So what are the "secrets to success" for mobile video advertising?

A. Mobile video ads have to grab the user from the get-go. The mobile consumer doesn't want to give you 30 seconds to get to the point. They want instant entertainment or interest, or else they won't interact. Click-through rates on our mobile video ads are double and triple what we're seeing through traditional banners. The key is grabbing the consumer's attention and not letting go.

— M.J.M.

MEC, a New York-based agency that is part of WPP. “Part of that reflects the relatively nascent state of the medium, and part of that comes down to issues with technology and tracking on mobile devices, which are well documented.”

Understanding the relative contribution of mobile video advertising as part of a brand’s overall marketing campaign is a key issue that needs to be addressed, Wasef says. “We need to be able to identify the additive effect of mobile video in combination with TV and online,” he adds. Other hurdles include infrastructure constraints, such as the issue of mobile coverage or loss of signal, and device usability/bandwidth availability as more and more videos flood the space.

Keys to Success

While best practices are still in the formative stages for mobile video advertising (see sidebar at left), marketers successfully deploying the new technology tend to have several things in common. The videos they use are mobile-specific, designed and produced to be optimally viewable and understandable on the mobile device’s smaller screen. Content is shorter to accommodate consumer usage patterns of mobile devices, bandwidth issues, and the possibility of signal loss. And messaging reflects the “on-the-go” nature of smartphone-equipped consumers. “Keeping video content crisp, to the point, and short are key,” Berg says.

Video ads should also encourage calls to action that are mobile specific (e.g., find a store, download an app, get how-to instructions on doing something in the physical world), suggests Mike Carson, chief marketing officer of Miami-based Myxer, a mobile technology company that operates the largest ad-supported mobile entertainment site in the U.S. Moreover, videos should not be forced into situations where they aren’t expected because of their potential to load slowly and possibly disrupt the user’s experience, he adds.

Perhaps most important, mobile video advertising must be engaging because the mobile environment is a very intimate space for the user. “The interaction options presented should leverage the fact that the user is on a communication and utility device that will stay with her at all times,” says Atul Patel, CEO of OneScreen, an Irvine, Calif.-based provider of digital media solutions to content owners, publishers, and advertisers.

The goal is to nurture long-term relationships with those who react most positively to mobile advertising. “While this would apply to any mobile advertising,” Patel emphasizes, “video provides a more engaging format to drive a message home with the user.” ■



BEST PRACTICES STILL EVOLVING

Marketers are adopting mobile video with a speed and enthusiasm that portends greater things to come, but even on the accelerated maturation curve of new media, mobile video is in its infancy. As such, best practices in this area are undefined, and standards are nonexistent.

“It’s simply too early,” says Michael Becker, of the Mobile Marketing Association. “Certainly, there are leading players out there like Millennial Media, Tremor Video, Rhythm NewMedia, and others that are developing what will become best practices and, eventually, industry standards, and we’ll probably start to see those things about a year from now.”

Becker argues that best practices and industry standards result from a broad industry conversation about what is possible, what works, and finally, what works best for the most users, most of the time. “Best practices begin to emerge in the ‘what works’ stage, industry standards in the final stage,” he says. “There are still technical systems being developed to enable cross-network and cross-device operability and things like that. The three variables that go into formulating best practices and standards are creative, strategy, and technical. You can get to best practices when two out of three have matured and to industry standards when all three have.”

— M.J.M.