



Marketing Messages

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Mobile media - the new frontier

Last month I wrote about the power of WOM - word of mouth, mouse and mobile and how all three were working in concert influence consumer persuasion, as increasingly marketers are dealing with the opportunities of interaction, not just a one-way push of their message. A sea of emails later, and numerous comments following talks I have done on this topic, I've decided to look a little deeper into the last area, mobile, and how it is going to rock the ground we marketers walk on.

The Federal Government has allowed Globalive Wireless to become the countries newest cell phone company. Significant in that this move breaks from the previous ruling to prohibit foreign owned companies from setting up shop here. Previously Telus, Rogers and Bell had it pretty much sewn up. Clearly, this signals a move to increased competition. Expect more. Apple recently forced the hand of Rogers, previously its exclusive distributor. Now the Apple iPhone is available on Telus and Bell networks. Could it be that these industry players expect a major battle in the coming year? You betcha.

A recent Deloitte and Touche survey reports that smart phones will out number computers in the US by the first half of 2010. That is a significant development. Marketing is a lagging indicator, following where consumers spend their time. We know they are increasingly spending it with digital media. And mobile media is about to take over. Very soon mobile will be the primary way consumers access and interact with the web. This folks, is the new frontier.

Google, whose fortunes come from advertising, has plans to launch their own phone, bypassing wireless carriers and selling directly to consumers. You can bet they intend to reap ad dollars from mobile. EMarketer.com predicts online advertising revenue will grow 6% next year, compared to 40% for mobile. By controlling the handset, applications and the user experience, Google could control their own mobile destiny. Currently handset makers and telecom carriers have the most say in the user experience, and carriers subsidize handsets in order to harvest the proceeds of a long-term data plan contract.

So what if Google leaned on advertising to recoup its handset development costs, in order to control the end user application experience? What if under this disruptive model Google gave away voice, data and text services in order to capture and monetize the resulting traffic? This model would lead to price compression in exchange for locked-in connectivity that guarantees sizable audiences for advertisers. Smart phones and data plans would simply become a commodity, subject to price wars. Sitting on top, as a content aggregator, would be Google.

Of course this direct distribution model is similar to the one that Apple initially took with iPhone, and it wasn't until they sold handsets subsidized through carriers that they achieved market penetration. The same could hold true for Google.

We can say with some certainty that with increased competition and potentially disruptive distribution models, that the mobile space is about to get very interesting. Soon the only phone available will be the smart phone, and in increasing numbers consumers will have it in their pocket or bag and be able to access it 24/7. That is going to fundamentally change the way we connect with them. Be it pushed out messages, ambient awareness tied to your location or offers based on known interests, mobile has the ability to connect one on one at a personal level. Applications that seamlessly integrate information from Facebook, Twitter, Flickr and Youtube accounts into your address book will make social networking a breeze. Suddenly 'word of mobile' will be just as important as word of mouth and word of mouse for getting others to spread your message.

What's the take away here? Marketers need a mobile strategy. Where the investment should be is on the development of content that provokes interaction with customers causing them to willingly spread your message. But remember, you need to be good if you want positive talk. You are no longer fully in control of your message, and that's a major shift. Advertising agencies are still struggling with how to monetize this model. This is indeed interesting territory.

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