

Mobile Advertising Makes the Difference

A recent survey shows that consumer behaviour has changed. Product comparison has become constant, and it directs our shopping behaviour.

We are no longer actually separating consumption from purchasing, but the elements of the former purchase chain fit together seamlessly. We make product comparisons, for example, inside a store. On the other hand, buying can take place as soon as interest is aroused from an online ad. The product itself may be connected to the web and announce that a new product is available. We also look forward to easy reach of the service providers and merchants throughout all stages of the purchase process. No other media than the mobile influences the consumer as quickly and easily.

There is indisputable evidence proofing this:

- A Walmart mobile application user visits the store in a month twice as often as a customer who does not use mobile. At the same time, they buy 20% more than non-mobile consumers.
- According to the Mobile Marketing Association studies, directing a new car advertising campaign also towards the mobile channel increases consumer purchase intentions by 3.4%. Growth, therefore, is achieved with the same budget, mobile marketing will only bring more power. In Norway, as an example, the supermarket chain Coop saw a 36 per cent rise in sales of salmon after running ads at the end of the day only on the VG mobile sites.
- Google's research shows that frequent mobile shoppers spend 25-50% more in-store than people who only occasionally use a mobile phone to help with shopping.

Marketers should wake up to the reality that in developed countries about 90% of the mobile phone users are smartphone users. And smartphones are transforming the in-store shopping experience. For example, 8 in 10 smartphone shoppers use mobile in-store to help with shopping. How is this noticed in marketing budgets? Marketers currently allocate less than one

per cent of their marketing budget to mobile advertising. In some countries this is even less, for example, in 2012 0.6 million euros was allocated to mobile marketing in Finland which is merely 0.04 per cent of the total marketing value. In comparison, in Sweden 44 million euros was allocated to mobile marketing and in Norway mobile marketing income only from its largest newspaper, the VG, was 16 million euros. However, based on sophisticated return on investment (ROI) analysis of mobile, the optimised level of spend in mobile advertising for U.S. marketers is seven per cent, on average. Over the next 4 years, mobile's share of the media mix is projected to increase to over 10 per cent based on growth in adoption of smartphones only.

It is safe to say, however, that the growth does not stop there. As with all new media, more effective targeting, creative excellence, better ad units, tighter industry standards, innovation in technology and other factors will all contribute to increased spend and the further establishment of mobile in a marketer's mix. Also, as consumers become more familiar with mobile they expect and demand from the mobile channel even more. According to the survey by Accenture, the following features are already desired to mobile phones while in a store:

- Collecting and displaying loyalty points when shopping
- Real-time offers within a store
- Ordering out-of-stock products to home or adding them to a shopping list for the next time
- A shopping list, which guides consumers to the product shelves while in the store
- Reading product information from the package using a mobile phone
- Product reviews by other customers
- Ordering non-stocked products to the store, where the consumer typically visits

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