

# ADVERTISING GOES MOBILE

COCA-COLA'S new animated fantasy ad, "Happiness Factory," first caught the eye of millions of Americans when it aired on *American Idol* in January and again during the Super Bowl.

But if you were in France in November, you could have seen it well ahead of its U.S. TV debut. That is, if you were a customer of mobile-phone carrier Orange, which for three weeks ran a shorter version of the chirpy ad on its Orange World mobile entertainment portal.

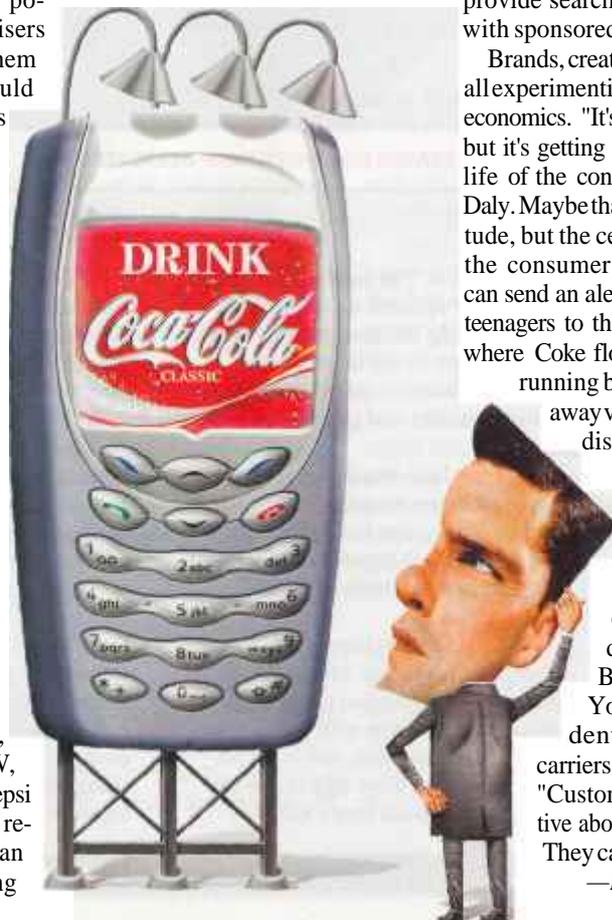
Welcome to the medium that could become the biggest thing in advertising since TV—the cellphone. With more than two billion users around the world, the potential reach alone has advertisers drooling. But what really gets them going is that the cellphone could become what many ad execs have long dreamed of: the ultimate, targeted, personal marketing machine. Cellular carriers possess terabytes of demographic data on their users, and they even know where a caller is. The potential for advertisers to mold campaigns aimed at specific age, gender, income, and lifestyle segments is staggering.

"Figuring out how to use the mobile phone will become a very integral part of our planning," says Tom Daly, Coke's manager of global interactive marketing. "The mobile phone is such a social thing—the way Coca-Cola is. It's absolutely right for the brand."

With brands like Coke, Anheuser-Busch, Canon, BMW, Nike, Elizabeth Arden, and Pepsi climbing onto mobile, market research firm Informa forecasts an \$11.4 billion mobile advertising

market by 2011, up from an expected \$1.5 billion this year. That's a molehill next to the \$600 billion mountain advertisers spend worldwide, but it's a good start for a segment expected to erode traditional TV spends.

Advertisers are not yet spending megabucks—nothing like the \$10 million to \$50 million campaigns in traditional media. "Our clients are starting to experiment with small campaigns in the \$100,000 range, but we expect this to grow," says Mark Read, director of strategy for London's WPP, one of the world's largest advertising companies. WPP in January invested in a Cambridge, Mass., mobile-ad specialist called



Jumtap, which provides Google-like search, including sponsored links, for cellphones. "This time next year we'll be seeing seven-figure commitments," says Graeme Oxby, marketing director for carrier 3UK, which has rebranded itself as a "mobile media" company.

With consumers still balking at purchasing entertainment on their phones, carriers are looking at advertising as both a revenue source and a way to fund mobile entertainment in a manner similar to commercial TV. In November, Vodafone appointed Yahoo as a mobile-ad agency, selling space and managing sponsored games and other content on the Vodafone Live portal. That followed a deal with Google, in which Google will provide search on Vodafone Live, with sponsored ad links.

Brands, creatives, and carriers are all experimenting with ad forms and economics. "It's not just advertising, but it's getting intertwined with the life of the consumer," says Coke's Daly. Maybe that's a marketing platitude, but the cellphone does follow the consumer around, and Coke can send an alert driving a group of teenagers to the nearest music club where Coke flows. Advertisers are running banner ads and giving away videos and games that display their products.

BMW, Adidas, and Gillette all make short, branded films that South Korea's largest operator, SK Telecom, distributes for free. But, says Songye Yoon, SK's vice president of data services, carriers have to be careful: "Customers are very sensitive about invasion of privacy. They can get very annoyed."

—Mark Halper