



Mobile advertising moving from experimental to essential: Nielsen

By [Dan Butcher](#)

March 13, 2009

Julia Resnick is vice president of mobile media solutions for Nielsen

NEW YORK - As mobile attains greater reach, brands are shifting their views of the mobile channel—more and more think of mobile as essential, rather than experimental.

That was the view of a senior executive at market researcher Nielsen during her presentation at yesterday's digiday: Mobile conference in New York. The company presented key trends in the mobile space, including the mobile Internet, moving from browsing to social networking and video; the iPhone effect and the next gear in consumption; the influence of youth ages 13-24 driving change; and mobile advertising evolving from experimental to essential.

“Advertisers want audiences, and we’ve already arrived at very real, substantive audiences on mobile,” said Julia Resnick, vice president of mobile media solutions for Nielsen, New York. “It’s snowballing in terms of adoption and usage.”

According to Nielsen's numbers, mobile audiences are indeed big. There are 145 million mobile media consumers, with 127 million using SMS, 70 million downloading mobile content, 48 million using the mobile Internet and 12 million using mobile video.

As the audience grows, so does the revenue generated by sales of mobile content.

Mobile advertising: essential to brands

Mobile content revenue grew from \$5.8 billion in the fourth quarter of 2007 to \$7.9 billion in the fourth quarter of last year, representing year-on-year growth 60 percent greater than the Internet. Fifty-four percent of that revenue was generated by messaging—SMS and MMS.

Unique mobile Internet users grew from 37 million in January of last year to 48.2 million in December, a 30 percent jump over the course of the year.

“Social networking is a key frontier and an important point of engagement, as it’s grown two-and-a-half times in the past year,” Ms Resnick said.

In December, there were approximately 10.6 million people in the United States accessing social networks via the mobile Internet.

Interestingly, Facebook surpassed former category leader MySpace just after the launch of the iPhone 3G. By the end of the year, Facebook was approaching 7.5 million users.

“Off-deck video has the momentum—it’s not just about carrier portals and subscription-based content anymore,” Ms. Resnick said. “Consumers are browsing to mobile video independently of what’s available on their portal.

“Driven in part by young mobile video viewers, there’s also been a shift from news and information to entertainment content such as comedy, music and sports,” she said.

Teens aged 13-17 account for 21 percent of mobile video users. Teens are the leading consumers of several mobile video categories, including music, user-generated content and movie trailers.

“There is a growing trend opening up mobile video beyond TV networks to user-generated content from YouTube,” Ms. Resnick said.

From the third quarter to the fourth quarter of last year, YouTube jumped from No. 5 to become the No. 3 mobile video channel. Fox and the Weather Channel held down the top two slots, with MTV and Comedy Central rounding out the top five.

The popularity of smartphones is driving consumption of mobile content of all types.

“Smartphones provide a user experience that works,” Ms. Resnick said. “Smartphones—especially the iPhone—are driving growth and adoption of mobile Internet usage, apps downloads and consumption of mobile music and video.

“Location-based services are also snowballing in terms of number of users engaging with mobile content,” she said.

According to Nielsen, the iPhone has the highest levels of data usage across all categories, including the mobile Internet, apps, location-based services, full-track music and mobile video.

The iPhone comprises 10 percent of all mobile Internet users and 18 percent of all mobile music users—and it’s accelerating.

“More than half—55 percent—of all folks who acquired a device within the past six months bought some type of smartphone or 3G device,” Ms. Resnick said.

The popularity of the iPhone and competing devices such as RIM’s BlackBerry and HTC’s G1 on Google’s Android OS has been accompanied by the development of various off-deck marketplaces following Apple’s App Store model.

While more and more adults are discovering text messaging and the mobile Web, the youngsters are still the biggest consumers of mobile content.

Beyond messaging, teens are heavily engaged in mobile content, including video and mobile TV.

That means that the number of people that take the mobile phone for granted as their number-one communications device continues to grow, and more and more are looking at it as an entertainment device.

All of these trends spell opportunities for marketers.

“Young subscribers have been driving data consumption for some time, but mobile is getting even younger,” Ms. Resnick said. “The penetration of devices among younger consumers is shifting, with the average age at which kids get phones dropping rapidly, so penetration of mobile phones is increasing.

“Teens send an average of 2,300 text messages a month, and while advertising and marketing to teens has issues and privacy concerns, mobile represents a great opportunity to engage with kids and young adults,” she said.

From www.mobilemarketer.com