

Mobile technology: Far bigger than you think

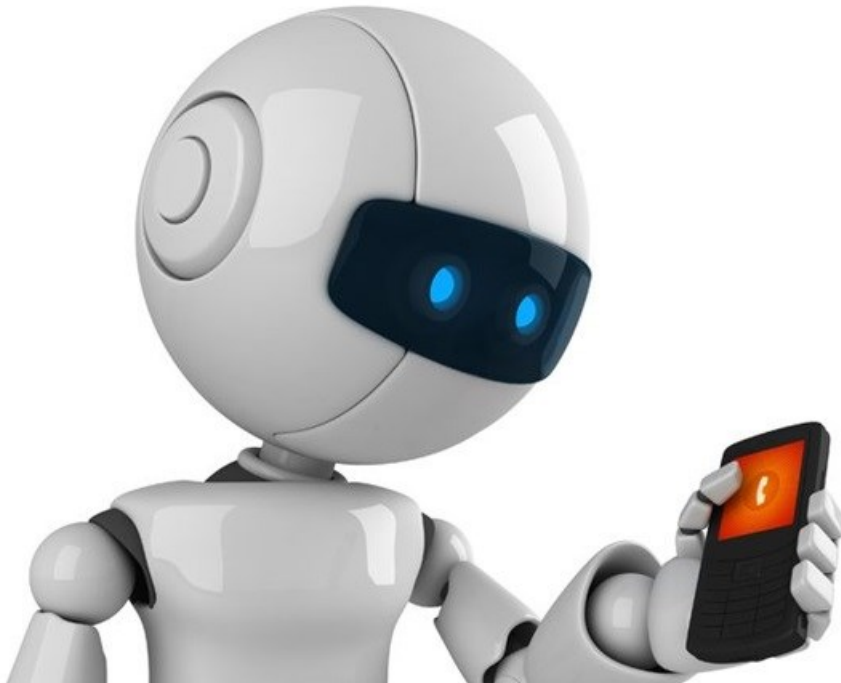
 By [Grant Shippey](#)

26 Aug 2015

"It's clear that users have moved on to new technologies, but marketing focus and spend haven't."

We use the term mobile to refer to cell phones, and much of South Africa's marketing speak interprets 'mobile marketing' to be constrained to this platform. But mobile technology is more extensive than we often realise. The need to understand the way mobile technology has infiltrated our world has given rise to the term Internet of Things (IoT).

The IoT recognises the ways data is transferred between different technological devices without the need for constant human instruction or prompting. In short, the IoT includes an organic or man-made object that can be assigned an IP address. Devices such as smartwatches, fitness gadgets, home automation systems and radio-frequency identification tags form part of the IoT.



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The extent of possibilities created by these devices is endless and we have already seen many astounding 'outworkings'. Think of jogging with a device tracking the number of steps you've done, or a gadget on an oil rig in the blustery North Sea monitoring a seam on a pipeline for activity. It's all around us.

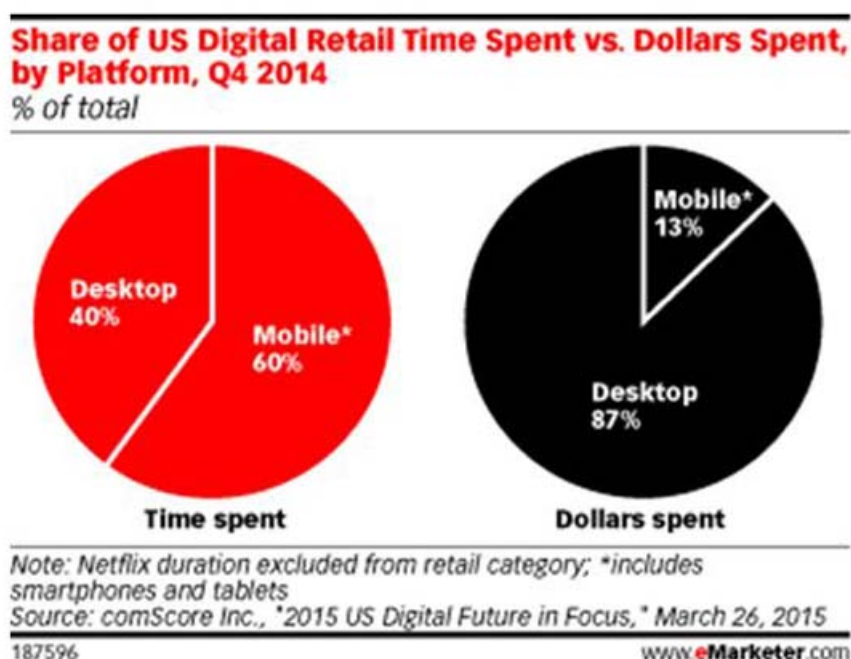
As with all different stages of technological innovation, from the printing press to the television, marketers need to lead the way in reaching people with useful communications using new technologies. In the age of the IoT, however, the mobile marketing sector seems to be lagging behind.

Mobile marketing as a concept is still largely unexplored and not extensively implemented, even in the United States. According to the [Mobile Marketing Association](#), from being at almost nothing four years ago, mobile advertising spend has increased significantly, but still only accounts for a combined 3% of the total \$177bn US media spend in their home market this year.

According to [emarketer](#), despite the fact that people are spending almost 60% of their screen time on mobile devices, mobile advertising in the retail space accounts for only 13% of allocated advertising budgets.

From a worldwide point of view, the Adobe Digital Index indicates that global media consumption on cell phones in particular, is similar to internet and TV in several respects, but it only attracts [10% of ad spend](#).

It's clear that users have moved on to new technologies, but marketing focus and spend haven't.



So what does this mean for SA?

As in the US, digital marketing, and therefore also mobile marketing, tracks way behind its above-the-line counterparts in South Africa. Specific local growth figures are difficult to ascertain as most marketing firms don't report into industry bodies. This means that there are many instances in which we can't see what brands are spending and where, making it challenging to accurately assess and address challenges in the sector.

I would venture that the lion's share of total digital spend is allocated to Google and Facebook.

Is mobile still a top-of-funnel medium?

Marketers are also often hesitant to move beyond using mobile technologies as introductory marketing tools. Many only see mobile platforms as a way to create awareness and interest, but they don't believe they can drive sales.

Over the past few years there has been much speculation about the impact mobile would have on brick-and-mortar retail establishments, but in the US, mobile accounted for just 13% of [digital retail sales](#) in the final quarter of 2014.

Do users price-check, fact-check, check-in on their devices but purchase offline? It seems so. People are not concluding transactions on mobile, often rather going in-store or online to make their actual purchases.

This needs to change, but the uptake is slow and I expect it will take time to develop good mobile transaction systems and to build consumer confidence on mobile platforms. Education is a critical component in marketing on newer and emerging mediums, and both marketers and users need to be exposed to the potential of mobile platforms.

Looking ahead

There is lots of work to be done in the mobile advertising space in Africa. Marketers need to develop a way to innovate with disruptive applications of mobile technology without annoying or frustrating users. Businesses such as Uber have made some significant headway in this regard in the past year and offer a snapshot of the potential for this sector.

The type of content marketers use for mobile devices needs to be carefully assessed and the length, style and cross-device visibility of content are big factors to consider. If networks and media owners can give brands the usable reach they need in a brand-appropriate manner - and brands can then offer users engaging content and reliable transaction methods - this sector can grow substantially.

**Grant Shippey is CEO of [Amorphous New Media](#), which recently bought itself out of Times Media Ltd, becoming an independent digital agency once more.*

ABOUT GRANT SHIPPEY

Grant Shippey is the CEO and Founder of Amorphous New Media in Johannesburg. Grant has incubated and launched a number of digital initiatives. Some of these projects include We Sell Web Ads, a digital media sales house, Times Media Apps, an application development and distribution unit and now Hudlr, an audience profiling application for the South African Market.

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