



Monetizing Mobile

How Broadcasters Can Generate
Revenue With Mobile Apps



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Listeners Love Their Smartphones

The smartphone is the fastest growing media platform ever.

Ever.

The rate of adoption of these little wonder-packs outstrips radio, TV, and even the Internet itself. In the U.S., three-quarters of adults own one, and almost half of them say they rarely or even never turn it off.

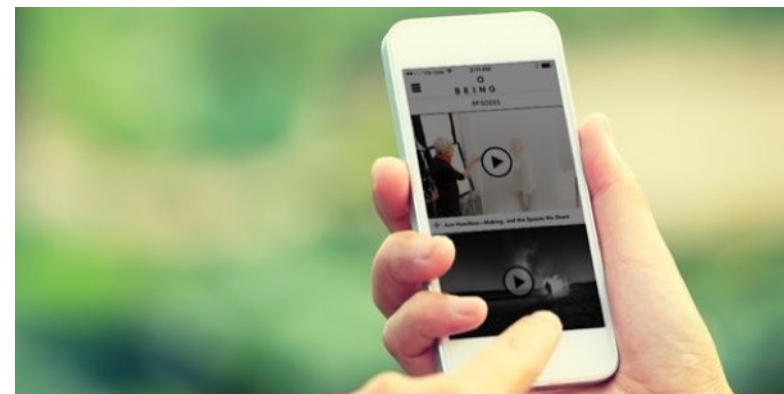
Year	U.S. Smartphone Owners
2013	143.9 million
2014	165.3 million
2015	184.2 million

The platform is now more than a communication and productivity tool; it is the **#2 channel for media delivery** behind TV. So why does it seem to be so hard to make money at it?

In this white paper, we will show you **five principles** for building a mobile monetization strategy:

1. Don't try to force ad models from other digital platforms into mobile.
2. Embrace what's different about mobile
3. Use mobile to prove the ROI of advertising with you
4. Turn awareness into action
5. Offer more than mobile, offer marketing strategies

And then we'll introduce you to some cutting edge opportunities to take your mobile strategy to the next level.

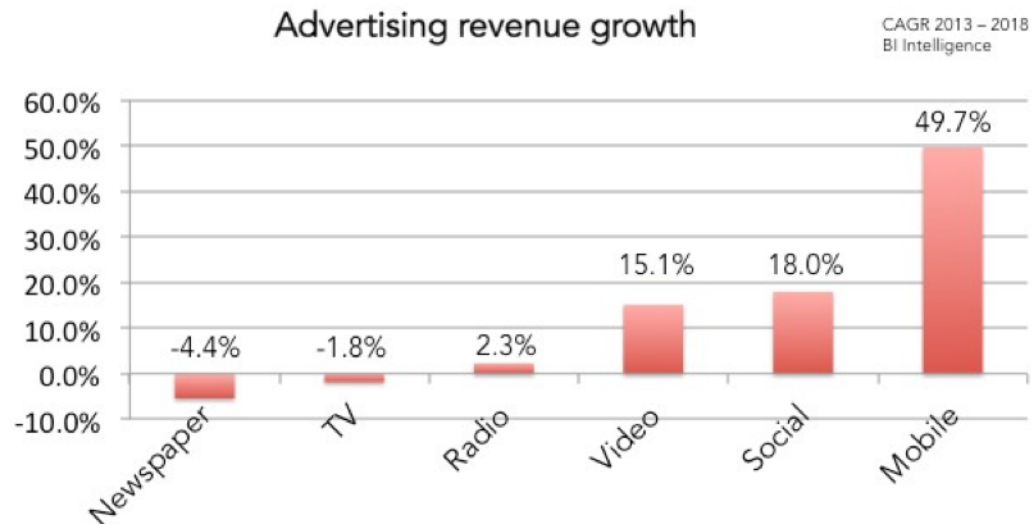


Mobile Revenue Is Growing

We hear client after client complain about their inability to turn all that small-screen-staring into cold, hard cash. The good news is that mobile monetization is following a familiar pattern.

Most new platforms take time to develop profitable and sustainable revenue models. For years the Internet struggled to find ways to turn all that clicking into cash, but look at any forecast and it's clear that the revenue has finally caught up with the popularity of digital media.

This chart shows how revenue growth in mobile outstrips even the double-digit growth of social media and desktop video. While the actual dollar amounts are still relatively small, nearly 50% growth shows that mobile is poised to become a powerful revenue force.

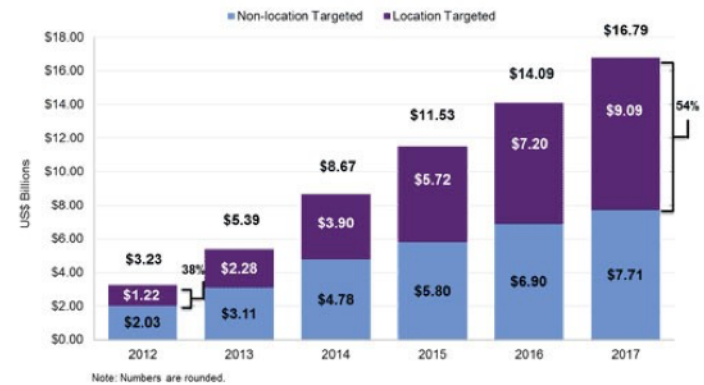


Local Ad Dollars Are Increasingly Spent On Mobile

While programmatic ad buying and large national buys drive most digital platforms, as this chart shows, mobile dollars are increasingly becoming a more local game.

Last year, more than half of mobile ads were location-targeted; meaning they were targeted based on where the user was at the moment the ad was delivered. The trend, as shown above, is decidedly toward location-targeted advertising.

Local vs. National Ad Spend in Mobile



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5 Principles For Monetizing Mobile

Mobile is unique in that it is present at the moment a purchase decision is made. This is a great opportunity for local broadcasters to leverage hometown know-how. You should be building mobile opportunities into all your client packages to offer clients new ways to brand and engage consumers.

Here are five principles to keep in mind as you develop your mobile revenue strategy...



Principle #1: An Ad Is Not An Ad Is Not An Ad

What works in one medium may not work in another. It's a mistake to look only at examples in one medium to create a model in another one.

Too many times traditional media has tried to force its old advertising models on new media channels. For example:

Newspaper/Magazine Ads = Online Display Ads

30 Second Spots = Audio/Video Pre-Rolls

It is crucial in mobile right now for media companies to think not about what worked in the past, but what new capabilities does this new medium make possible that are of value to marketers?



Principle #2: Embrace What Differentiates You

Location + Interactivity

Scenario 1: Car Dealer

A local car dealer wants to reach just those customers in his neighborhood. In other media he has to compete against other dealers selling the same brand as he is.

Much of his typical media buy is wasted advertising to customers who will end up at a dealer closer their location. His ad on your mobile app can be targeted to users within a much smaller area – his neighborhood, and his most likely customers.

You have the power to help that client target precisely the consumers they're after. This is a chance to leverage your relationships – with your audience and the community at large – to improve your offering.

Local businesses now have an unprecedented ability to use mobile to communicate with their customers and prospects. You should be doing everything you can to use your mobile strategy to make those connections.

And once the connection is made, make it easy for the consumer to take action. Help your client to make the connection from awareness to intention to action.



Local Differentiation

Scenario 2: Hospital

A local hospital has their own mobile app that they are marketing to make it easy to engage their patients. Use your mobile app – which is probably more regularly used and more widely distributed – to link a user directly to where they can download the hospital's app.

You can link a display ad directly to the AppStore so users can take that action. Other clients may wish to capture some user data as lead generation. Mobile enables you to provide your advertisers with a direct connection to the user, a way to collect their information, learn more about their desires and even enable the actual sale.



Radio has advantages of reach and frequency that most digital media can only dream of. No medium does a better job of getting people to act than radio, and the AQH of a good radio station is bigger than almost any local digital platform. Leverage those advantages, and enhance them with new mobile options.

Principle #3: Credit Where Credit Is Due

That old saying that doesn't have to be true anymore.

The biggest weakness for traditional media with advertisers, who are becoming accustomed to digital, is "attribution." That is, how does a consumer hearing the advertiser message on a station lead to that consumer visiting a location or buying?

Mobile, with its interactivity, is a perfect way to offer your clients more than a cost-per-point. Use your mobile strategy to offer them the kinds of opportunities that can drive from on-air to your app, and let that user take action there, thus closing the loop, and giving you solid proof of the marketing value your station drives.

Half the money I spend on advertising is wasted; the trouble is I don't know which half.

— John Wannamaker



Coupons

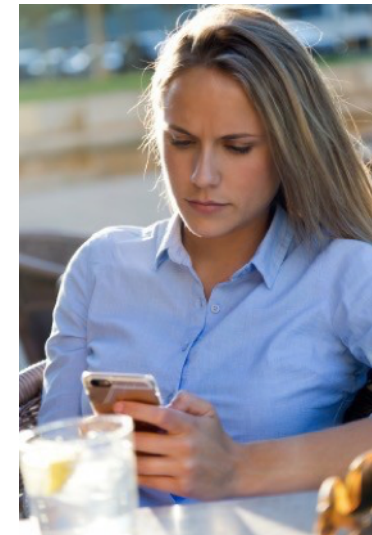
Scenario 3: Bar

A local bar has been advertising with your station for a long time, but is having doubts about your effectiveness. Use your mobile app to deliver a coupon that the user can redeem with their phone at that location. Instantly, that client can see how many of your listeners are turning in to customers.

The ability to hand your client a lead list that resulted from his presence in your mobile app, or statistics that show how many mobile coupons were redeemed, or even stats from a beacon (more about beacons below) placed in the client's location will put the proper emphasis on the value your brand and your media brought to that client.

Making this direct connection is crucial not only to claiming more of their digital dollars, but reminding them that the reach of traditional media is not only a branding win, but a force multiplier for digital.

In a time when on-air inventory is highly pressured, the advertising opportunities on your mobile app represent new inventory that doesn't add to your spot load. And since mobile allows you to go after clients' digital budgets, you're accessing a new slice of the revenue pie that maybe you couldn't access in the past.



Principle #4: Awareness To Action

Broadcast + Mobile = Powerful

Radio's advantages become clear in this marketing paradigm of "awareness to action." In this paradigm, the first step to successful marketing is generating broad awareness of the marketer's product, and no medium does this better than radio. It's portable, and is one of the last media touch points for the consumer prior to a purchase because of its prominence in the car. Mobile, of course, is immediately at hand (literally) at the moment of transaction. So combining these strengths makes tremendous sense.

A successful mobile campaign for radio should strive to use both broadcast and interactive channels together. Drive awareness on-air (supported on your website, of course), but use that campaign to push to mobile where consumers can take action. By creating valuable, contextual reasons for the audience to act, you can close the loop for your clients, creating interaction that leads to the outcomes. That creates the ROI that advertisers want – lead generation, coupon redemption, foot traffic and even e-commerce.

Principle #5: Offer More Than Media. Offer Marketing Strategies.

All of this leads to creating compelling 360° packages that bring together all your assets into a comprehensive marketing solution customized to your client's needs. The days of one-size-fits-all advertising are over, your clients expect *solutions* that lead to measurable, attributable ROI. If you want your station to compete with the many digital options available to advertisers, you need to sync your digital assets with your on-air capabilities.

Mobile offers a variety of ad units including display, interstitial and entitlement sponsorships, as well as audio and *video* pre-roll ads. The key is to make these different elements work together as part of a unified marketing message for your clients. Each of these digital elements should drive interaction between the brand (via its website, app or brick-and-mortar locations) and the consumer in a way that is highly track-able and demonstrates concrete ROI to the advertiser.

"Yeah, but what've you got that's new?"

Every salesperson has heard this from a client or prospect, and mobile is the perfect answer. And even in the realm of mobile there is plenty that's new. Here are two cutting edge technologies, and one radical approach that can make it clear to clients that you aren't standing still.



New Mobile Technologies

Beacons

Mobile is currently enabling a very precise type of geo-targeting using a technology known as “beacons.” These tiny devices run on a technology called Bluetooth Low Energy or BLE, which allows merchants to install these beacons so that their specific location can be identified to a mobile device. These beacons are recognized by smartphones, so a user of your app can receive a message from one of your clients who has one or more beacons in their location. It’s a great way to deliver offers, coupons or other reminders, again, closing the loop from awareness to action for your client. Beacons also allow you to track the foot traffic your brand drives for the client.

XAPP ads

This new technology enables audio ads that the user can interact with using just their voice. That voice interaction can take the user to a web page, download an app, or place a call completely hands-and eyes-free. You can take a look at this revolutionary technology, which is offered now by [jacapps](http://jacapps.com), at www.xappmedia.com. We will be offering a webinar soon letting you know more about this unique advertising opportunity.



Sell Them An App

Why not? Working with a company like ours, there is no reason you can't help your clients drive their mobile strategy by selling them their own mobile app. Most of your clients won't have them, and our team can help you develop concepts (and the app) that can enable you to become a provider of mobile solutions. Many broadcast companies are offering digital services like web development, SEO and SEM. Adding mobile to that mix, just makes sense.

The days of mobile as just another distribution channel, a box to be checked, are over. This is a legitimate, and fully distributed media platform, and you have the ability to turn it into a strong new revenue stream. The principles outlined above make it clear that while you need to treat it as something distinctly new and different, something uniquely local and interactive, you also have an opportunity to leverage your broadcast assets to make it successful.

If you want more details on how to do this, just [contact us at sales@jacapps.com](mailto:sales@jacapps.com) or by phone at 248-353-9030.



Final Thoughts

With mobile at the center of most people's lives now, there is no reason why your own mobile strategy shouldn't be able to pay off with increasing revenue. The ideas in this white paper are really just a starting point, and you should apply your own ideas, creativity and brand assets to this massive new revenue opportunity.



About jācapps

jācapps is the leading developer of mobile applications for radio. The company has developed nearly 1,000 apps worldwide for companies that include Entercom, Greater Media, Bonneville, Scripps, Emmis, Hubbard and a wide variety of public radio and Christian radio stations.

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