

Saatchi, Coca-Cola bow to might of mobile

Advertising agency Saatchi & Saatchi estimates that mobile advertising will account for 15% of its total turnover next year. And one of its top clients, Coca-Cola, is betting that mobile will become a bigger advertising vehicle than television, says Neil Hughston, managing director of Saatchi & Saatchi Interactive.

"[Mobile is] here to stay, and it will be a big part of the interactive future," Hughston told *MM*. "If you asked me next year, I would suspect we would be generating £300,000-500,000 [US\$560,000-940,000] revenue from clients buying mobile services. Coke thinks that mobile content will be more important than TV advertising to their audience in 18 months to a year."

Saatchi & Saatchi says it is firmly committed to mobile through its Interactive arm and has a very broad view of how the medium could work. "Can you use your mobile phone as your wallet and get it sponsored by Visa?" Hughston asks. "Absolutely. And we're in discussions about using opt-in GPRS tracking that will know you've landed, and you'll get a message as you walk through the airport for 10% off Avis car hire."

Saatchi & Saatchi says it works with half of the world's top 100 advertisers, including Coca-Cola, Lexus and T-Mobile. Interest in mobile is, overall, increasing among its clients, and they are better informed about the new medium, Hughston says.

"Last year, two out of 10 of our clients asked us about mobile," he says. "This year, I would say seven out of 10 have asked. And probably three went on to advertise."

Cellcos are being much more cautious about embracing mobile advertising, however. "We're being very careful because people view their phone in a very personal way," said Lowell McAdam,

COO of Verizon Wireless.

But Michael Baker – president and CEO of mobile marketing company EnPocket, which recently teamed up with Sprint Nextel to deliver targeted on-portal advertising – says that a highly cautious approach is unwarranted. "Pilots have shown that, across the board, consumers are not annoyed or calling customer care due to mobile advertising," he told *MM*. "And customers call and complain about everything!"

Hughston says that delivering compelling advertising content is one way to avoid irritating consumers. "There's a difference in terms of content that's rich and engaging, that's requested, versus stuff that's pushed," he says. He adds that the return on investment is "not fantastic, but not bad," saying that mobile advertising business models need to be fine-tuned.

Saatchi & Saatchi has drawn on the mobile expertise of some of its clients, including T-Mobile and Sony Ericsson, to learn about how things work in the mobile world.

"We are approaching [mobile] with the right level of pragmatism and caution," Hughston says. "Whilst being cautious, you should be committed. We're not taking every opportunity to shove it down people's throats because sometimes it's inappropriate."

"I think that any agency that isn't giving it serious consideration is potentially naive. But ... you're cautious and miss opportunities or relatively less risk averse, and you might make some mistakes along the way."

Mistakes are bound to be made unless Saatchi & Saatchi can employ people with the right set of skills, which Hughston says the industry still lacks. "There's a big shortage of coding skills in the space, of people who can do Flash lite and Java lite," he says.