

Ads out to know us in mobile Internet Age

February 2 2014, by Glenn Chapman

Ads are evolving from blaring TV spots to nudges from smartphones that know where we are, what we like and what we might be in the mood for.

The transformation promises to pick up speed thanks to Internet-linked eyewear or watches and technology that lets gadgets whisper in ears like personal assistants eager to please.

Internet search colossus Google and leading social network Facebook this week reported earnings that soared on the wings of revenue from ads delivered on smartphones or tablets.

The bounce was particularly telling at Facebook, shares of which were hammered after they hit the market in 2012 on fears the Silicon Valley company would not be able to make money from surging ranks of members connecting via [mobile devices](#).

As Internet Age lifestyles shift to being online while on the move, the pressure is on Google, Facebook, Microsoft and others to creatively cash in on people with much less screen space and time than they had on desktop machines.

"Advertising today is in the interest of the seller trying to get me to buy," Forrester analyst Frank Gillett told AFP.

"I am imagining a world where the software can know me as a person and offer things that feel like advice and help rather than aggravation and clutter."

For example, an app could glean musical taste from a smartphone song library and then let alert a person that a band they like is coming to town.

The software could then link to an online ticket vendor. Using location sensing technology, smartphones could even tip users off to shows in places they are visiting.

Similar scenarios can play out with restaurants, films, sports and more, according to analysts.

Tie in calendar information and a smartphone could not only remind someone of an anniversary but find suitable nearby restaurants and make dinner reservations.

Digital wallets in smartphones make online buys simple and can store digital copies of tickets, coupons or loyalty cards.

"These devices are so capable, especially with ads and marketing, that instead of forcing their way into a conversation they are being pulled into it," said Gartner analyst Michael McGuire.

Many marketers found out the hard way that they couldn't simply take tactics used on desktop computers, such as data-rich streamed video ads, and aim them at mobile devices where time, screen space and data allowances are precious, according to McGuire.

In what could be a threat to Google's core revenue source, search ads, smartphone use typically centers on "apps" instead of Web-based queries.

Google, Facebook and rivals are countering with free mobile apps.

Facebook co-founder and chief executive Mark Zuckerberg said that the

company's strategy includes spinning features of the social network into dedicated mobile applications for sharing things like video, games or music.

Facebook said that it was looking to artificial intelligence technology to enable its platform to understand the meaning of pictures, posts and more so it can better predict what people will find interesting.

Wearable computers such as Google Glass eyewear and activity tracking bands such as Jawbone's UP should bolster the transformation of ads into insightful suggestions, according to analysts.

Scenarios envisioned included a band logging workout activity and then signaling Glass to whisper in an ear that it seems time for new gym shoes and there is a local shop with a deal to offer.

In a "multi-screen" world pictured by analysts, arrays of gadgets used through each day share when they know about users and better predict desires.

"It is really about living with the user—supporting users across all the day whether on a TV, mobile phone, desktop, wearable (computers)," Google chief business officer Nikesh Arora said during an earnings call this week.

"That is really the aim we are shooting for."

People will have to grapple with privacy concerns that come with applications and devices sharing what they learn about lives and habits.

"You don't want to cut yourself off from opportunity, nor do you want to jump in without looking," McGuire said of the potential benefits and risks of the trend.

"Privacy is a spectrum, and we will to find a balance."

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