

Pay your cell-phone bill by watching ads

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Hate cell-phone bills? Israeli customers of mobile operator Orange who have 3G phones will soon be able to kiss their bills goodbye -- if they're willing to watch a few commercials instead.

This "innovative business model, the first of its kind, (allows Israeli) Orange customers to choose between the regular payment model ... and the new model, under which they will watch personal, interactive advertisement programs which will discount their bill either in part or completely," said Orange Programming and Marketing VP Iris Beck via a company statement.

The amount of the discount depends on the number of commercials the customer watches.

"Advertisers are looking for new media, and ... the cellular platform is an all-purpose media, and as such, it has a high value for advertising," Beck continued.

While the plan may be the first of its kind in the field of cell phones, the idea isn't completely new to the business world. For instance, European airline Ryan Air has said in-flight advertising may eliminate the need to charge for tickets.

Seem too good to be true? It may not be. "In the case of cell phone ads, your eyeballs can be more valuable to your provider than your (\$2) on overages. In other words, they'll collect the money from the advertiser, so they aren't losing money on the deal at all, and you are effectively being paid for viewing their client's advertising message," New York marketing expert Rachel Weingarten told United Press International in an e-mail message.

In the pilot and the first stages of the plan Orange will combine ads with the Celltrix game, a product of the Cellfun company. Celltrix is currently available to Orange customers via the "Oboxlive" portal.

Customers will have a choice: they can download an ad-free version of Celltrix for a fee, or they can download the game for free with the understanding that while the game loads and between levels, commercials will play, according to the Orange statement.

The company said the game would be available to all of Orange's 3G phones, including those from Nokia, Motorola, LG and Samsung, and on its 2.5G phone, the Nokia 6230.

The pilot is a joint project between Orange and Upsteed, a British company with a research-and-development center in Israel. Upsteed was founded in 2005 and, according to Orange, is a world leader in the field of cellular advertising.

The company added that ad viewing will become an interactive activity. After seeing an ad, a customer can download additional information on the product, send a text message about the ad or call the advertising company's telemarketing center, the statement said.

"Unlike traditional advertising, cellular advertising on the Orange network puts the customer in the center, and allows him to decide at every stage whether to watch commercials, to skip directly to the game, or even to download the game without ads," the company statement said.

Advertising experts aren't so sure Orange's scheme will work in the long run.

"This isn't a long term model that would make sense, since most consumers don't want to spend hours watching ads on their phones," marketing expert Weingarten wrote to UPI.

"But it might work well in targeted demographics such as teens who don't have the money to pay the bill, but will become effective brand evangelists after viewing endless loops of ... ads. At least, that's what the advertisers are hoping for," Weingarten continued.

New York business consultant and author Rita Gunther McGrath added: "The big disadvantage of (Orange's) approach is that the people you will tend to attract are those with more time than money.

"The people advertisers tend to want to reach are the ones with more money than time. So you actually create a self-selected group of

particularly undesirable users for many offerings if you offer this to the general public," Gunther McGrath continued.

Targeted ads might be more effective, Gunther McGrath said, but "the big dilemma is that for many extremely desirable customers, sitting through ads, no matter how targeted, is considered a waste of time."

Orange's statement hinted at this tack, saying advertising via cellular allows for "personalization" of advertising, but did not mention how this would be accomplished.

A spokeswoman for the company said she couldn't elaborate on the statement, and she did not immediately respond to requests for an interview with company executives.

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