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Mobile advertising key part of Globalive's wireless offering

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Globalive Communications inked an agreement with **MyScreen Mobile** earlier this month that will see the upstart wireless carrier offer a variety of advertisements to subscribers at the end of calls and text messages. And the timing seems right. Not only is mobile advertising expected to hit US\$20 billion within four years, according to figures from **eMarketer**, but established Canadian wireless carriers have been reluctant to embrace mobile advertising.

Perhaps one of the most well-known mobile advertising program, **Virgin Mobile USA's** Sugar Mama program, provides airtime in exchange for watching ads. But Globalive isn't going to limit itself to a single program. Tony Lacavera, president and CEO of Globalive, says the company plans to create a variety of incentive programs, including free airtime, discounts on products as well as potentially linking to other rewards or loyalty programs.

"We think [mobile advertising] has to be appealing to a broader audience than those looking to build up free minutes. A direct financial incentive I think will appeal to some people but not as much as other [types of programs]," he tells *Report on Wireless*.

Major brands are increasingly looking to wireless as an advertising avenue, according to figures from **Ad Infuse** and **M:Metrics**. Their [Mobile Ad Degree](#) [1] educational series found that interest in using mobile advertising to promote their brands grew from 64% in March 2008 to 81% in May 2008.

The MyScreen technology enables Globalive to offer mobile ads in an innovative way. The ads are uploaded to the handset with the ad loop updated periodically. The cell phone's wallpaper serves as the "screen" for the ad, which is triggered once a call or text message is completed. The ad stops once the user presses any button on the handset. But key to this mobile ad system is viewing the ad doesn't eat into the user's minutes or data charges.

"Wherever possible we don't want to consume data usage on the consumer's plan because that will obviously offset any financial benefit they're getting [from watching the ad]," Lacavera explains, acknowledging that in some cases there might be data charges. For the advertiser, the benefit is the mobile ad is non-intrusive because it's at the end of

the call or text message and the consumer controls how long they want to watch it, he adds.

Pushing for ads at launch

Lacavera says work is well underway and on schedule to ensure that the ad service is part of the company's launch in the middle of next year. The goal is to attract anywhere from 5% to 10% of customers to the advertising service when they sign up.

"We're hoping to offer some opt-in plans or at least some very early test plans in conjunction with our launch. We're currently well down the path of that so I think there is a chance we'd be able to do that," he says. "We're trying to figure out how we could potentially integrate [mobile advertising] with the Yak Wireless pitch to begin with so that instead of it becoming an add-on later when someone first signs up for Yak Wireless they have the opportunity to take advantage of it."

Still on track for mid-2009 launch

Despite reports earlier this year that the credit crunch south of the border and the potential for economic crisis here in Canada would hinder new entrants' network rollout plans, Lacavera insists Globalive is on track and will launch in the middle of next year. The company has shortlisted three network vendors and discussions are underway.

"The good news is that because there's been such a significant downturn in wireless builds around the world, the vendors are really hungry," he says. "We also think that taking advantage of Orascom's scale in working with these vendors we're in really good shape on that front." Orascom is one of Globalive's financial backers.

While Globalive has yet to publicly announce its network platform, the company appears to be leaning towards GSM. "I'm not going to officially comment on it today but suffice to say we want to be able to take advantage of LTE," Lacavera says. "In order to not compromise our vendor discussions we don't want to officially announce that."

When asked how discussions for roaming and tower sharing are proceeding, he laughed. "Do I need to say anything other than laugh?" he asked. "Look, maybe one day I will be 25%-30% of the market and in that case I will not be too excited about someone coming in either. I don't see that they're playing hardball. I think they're doing what you would expect, they're defending their business."

Lacavera suggests that **Industry Canada** could probably make things a little easier if it would render its decision on the mechanics of roaming and site sharing. "Overall I think Industry Canada has done an amazing job here, but I would really like if they came out and said here's step one through 20 or here's what we expect to happen," he says. "But we have existing relationships with the telcos on the wireline side, so we know who all the players are and we're having conversations but nothing has been formalized as of yet."

(ROW) Wireless

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[1] <http://www.mobileaddegree.com/>