2015 South African mobile location-based advertising report released by Vicinity Media

Issued by Vicinity Media

21 May 2015

Mobile spend across South Africa is growing year on year however still lags behind developed markets such as the US, where mobile is currently positioned as the true 'first screen'. As Africa's first true location-based mobile ad network, Vicinity Media releases its state of the industry report every quarter, with the 2015 first quarter report having recently been released. The report aims to inform marketers, agencies and brands just how effective mobile is becoming and recognises the early adopters that are getting it right.

Key mobile trends:

No more display and pray:

Traditional mobile display, particularly across blind networks is fast becoming out-dated. With the emergence of true location and increased contextual targeting, mobile has evolved into a highly effective communication and advertising tool. The days of standard display and pray are truly over. Agencies are rapidly shifting advertising budgets to evolved targeting platforms that deliver improved performance for clients.

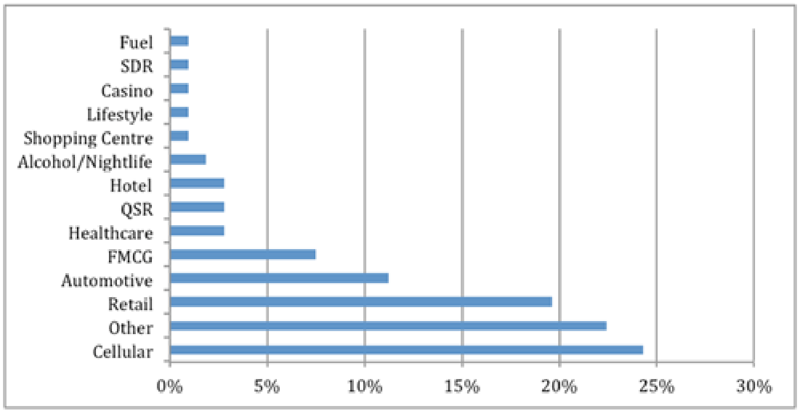
How South African brands are using location: Targeting vs acquisition

Mobile location-based targeting campaigns zone in on mobile user's location, however then fail to drive the consumer to the point of transaction. For example, these campaigns will have a male interest product target consumers in sports stadiums while matches are in progress, while a female product targets schools where mothers are traversing the school run.

Location acquisition, on the other hand, refers to campaigns that target consumers firstly by location, coupled with the ability to drive users to a point of purchase through call to action options such as accessing a map, linking to the advertiser's website, calling the outlet or redeeming a coupon. Typically location acquisition campaigns are geo-fence based, whereby advertisers can create virtual geographic 'fences' that activate mobile advertising around their stores, showrooms, branches or competitors to drive consumers to the point of purchase.

Who is using location targeting in SA?

The chart below demonstrates the percentage of campaigns run on the Vicinity platform by advertiser and industry. Advertisers with physical brick-and-mortar locations and those with inherently local products (such as targeted research campaigns) lead the pack in terms in the percentage of campaigns using location targeting.



Performance

As evident in the table below, true location-based mobile advertising outperformed the industry 4:1 in 2014. Thanks to mobile's intrinsic quality - in that it's mobile and moves with its owner, location-based campaigns are more relevant to the user. Higher relevance in turn results in better performing mobile ad campaigns.

Top 5 performing campaigns by sector - Click Through Rate (CTR)

Sector	Impressions	Clicks	CTR
Cellular -Retail	1,165,656	90, 637	7.78%
FMCG - Food	2,548	77	3.02%
Cellular - Retail	4,491	127	2.83%
FMCG - Food	17,165	389	2.27%
FMCG - Household	27,652	569	2.06%

click to enlarge

Campaign of the year - CTR

Client: MTN Pre-paid
Agency: Mindshare
Strategist
Buyer

Engagement

Beyond the click, consumers are engaging with brands on mobile devices in many ways. Having clear and meaningful calls-to-action entices user engagement - especially when coupled with location utility such as directions to the point of purchase.

The Vicinity platform is unique in that it not only offers true location targeting capabilities, but also an exclusive location-aware landing page. On the brand landing page which appears after users click on mobile advertising, they can engage further by clicking to a map, website, driving and walk directions or a coupon. It's here that acquisition comes to life.

Top 5 performing campaigns by sector in the past 12 months - Engagement

Sector	Clicks	Engagements	Actions/Engagement Rate
FMCG - Food	770	630	81%
Charity/Social	329	183	55.62%
FMCG - Household Cleaning	532	166	31.20%
FMCG - Food	797	222	27.85%
Research - Social Grants	910	241	26.48%

click to enlarge

Campaign of the year - Engagement

Client: Magnum
Agency
Strategist
Buyer

Actions and ROI

Once users hit the Vicinity landing page after clicking on a mobile ad medium, they are faced with a number of action buttons that record customer acquisitions and demonstrate return on investment for advertisers. For example, an advertising campaign in the motor sector generated the following engagements:

Calls to advertiser: 51
Web links: 107
Drive to location requests: 318
Map request: 109

Total engagement: 584

Based on a 0.5% conversion from actions to sales, the campaign generated a R2m return on investment of R65,000

The power of location optimisation

When running a mobile campaign with a national retail footprint, certain locations and stores will naturally perform better than others - driven by numerous demographic and social factors. Standard mobile display follows a 'spray and pray' approach, wasting budget on the poorly performing areas.

Vicinity Media's technology provides reporting at a local store level, allowing for campaigns to be optimised in real time by specific location. Thanks to dedicated campaigns managers who monitor campaigns by the hour, locations that aren't performing get deactivating and client's budget is redirected to areas where consumers are engaging with offers. By moving budget to top performing locations, Vicinity Media's location optimisation hence allows brands to hit the consumer sweet spot.

Success story

A perfect example of a campaign maximising the potential of location-based mobile optimisation is Unilever's Stork

Margarine promotion that ran across the Vicinity Media network in mid 2014. The campaign was activated within a 5km geo-fence outside Checkers outlets nationwide.

After 48 hours the campaign was performing around the 0.8 CTR mark. Analysing the campaign down to location level allowed the bottom performing 30% of Checkers location campaigns to be deactivated and the mobile advertising budget to be pushed to performing locations.

Geo-fence optimisation indicated that 5km was potentially too large a distance for a small purchase such as margarine, hence by decreasing the geo-fences to 2km (and deactivating poor performing locations) the Click Through Rate escalated to 2.1%. This is the real power of mobile advertising location optimisation!

For the full report visit http://www.vicinity-media.com/

For more information on Vicinity Media visit http://www.vicinity-media.com

VICINITY

Vicinity Media is a premium mobile advertising network that offers true proximity targeting to advertisers. Vicinity harnesses best of breed technology and location expertise to deliver street level location targeting and driving mobile users into advertiser locations. Vicinity targets users further based on search term, handset type, time of day or day of the week, ramping up the relevance of mobile campaigns to never before achieved levels. Vicinity Media is bringing a *Relevance Revolution* to mobile.

Daryl van Arkel
daryl@vicinity-media.com
Neil Clarence
neil@vicinity-media.com
+2711 021 8346/7/8

- **Meet the contenders: Introducing the official teams for the Vicinity Media Padel League!** 18 Mar 2024
- **Vicinity: The Year in Data 2023** 20 Feb 2024
- **Is your targeting as accurate as ours? Smash the competition in the Vicinity Media Padel League!** 19 Feb 2024
- **The power of 1st party data in omnichannel strategy and measurement** 28 Sep 2023
- **The biggest opportunities that mobile data and location technology offer the OOH and digital OOH industry** 30 Jun 2023