

tabvertising

iPad and other tablets: the advertising and marketing opportunities



By Jack Wallington

Introduction



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“I don’t need one... I want one... I need one.”

If you’ve ever used Jamie Oliver’s “20 Minute Meals” app on the iPhone, it doesn’t take a huge stretch of the imagination to know the iPad will become the world’s greatest cookery book. The picture, text and video instructions, interactive shopping lists and a beautifully designed layout are a revolution. Extend this to your favourite magazines and newspapers and you’ve got the ultimate media device in the palms of your hands. This is only the start.

Tablet devices similar to the iPad or the HP Slate have been around for years, yet it’s only now that the touch screen and portable technology can deliver a device capable of the promise. Coupled with the sheer unstoppable wave of content coming from companies capitalising on the ‘gold rush’ of portable applications (apps), it’s clear we’re witnessing the birth of a new age for the way we consume media.

For brands, there are obvious uses for tablets like extending your search, social media and email campaigns, while display and video advertising offer new and exciting innovations to invigorate their use. With larger beautifully rendered, interactive ads in electronic versions of magazines and newspapers, and beautiful video ads around TV shows and films – it’s the ability to stun consumers with eye catching adverts that really blows you away.

- Almost 500,000 iPads have been sold in America already
- More than 85 million iPod Touch and iPhones sold worldwide
- 9.7 inch touch screen (1024 x 768 resolution)

The IAB will offer far more guidance on this subject in the future but this report is a speculative look at the potential of tablets for advertisers. There is an iPad focus because this is clearly the device that will initially convince people that tablets are a legitimate new platform. Apple may win this battle, but the war will no doubt be won by multiple companies as more tablets come to market.

Tablets are part of the future of the internet and the marketing opportunities will be immense. Marketers need to be involved **now** to make sure we are helping shape this medium as it grows from seed to sapling.

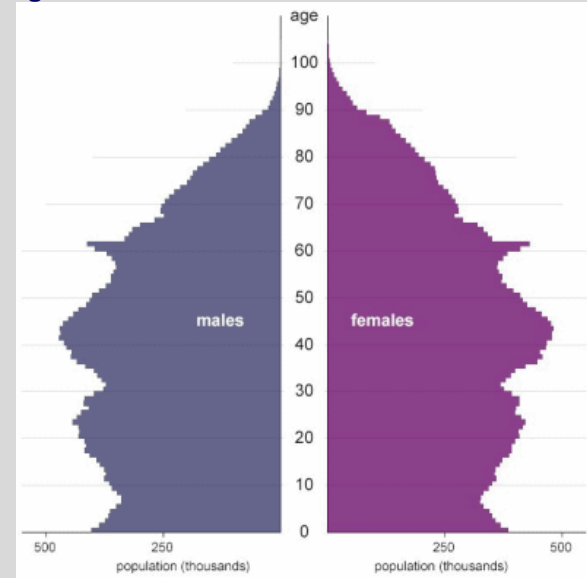
Audience: who will use the iPad?

In the first year the audience will be small because tablets will be treated as an expensive additional gadget and people will need to be convinced of their potential. Yet in the same way the iPhone revolutionised the smart phone market, the iPad is the first computer with the genuine potential of being used by every person in the UK, from 2 year olds to 122 year olds.

If you've ever been brave enough to place your iPod or iPhone into the hands of a toddler or your grandparents, you will know that the 'point to use' touch interface can be used even by someone that's never used a computer before. With larger screens, we expect touch screen tablets to be the easiest computers to use in the world.

As word-of-mouth spreads and more content becomes available, it is possible to imagine the iPad becoming the world's first totally mainstream computer, used by young and old alike. This will take at least 3 – 5 years to start becoming a reality.

UK population estimate 61.4 million, shown by age



Source: Population estimates by [Office for National Statistics](http://www.ons.gov.uk)

Purpose: what will the iPad be used for?



Reading
(magazines and books)



Watching
(TV, film, video and photos)



Working
(emailing, showing presentations and documents)



Browsing
(internet and online shopping)



Learning
(interactive text books, encyclopedias, activity books and more)



Playing
(casual and hardcore games)



Communicating
(email, Skype, Facebook, Twitter, forums etc)



Controlling
(storing data, controlling other devices e.g. lights, heating, PC, TV)

Over ten years ago Steve Jobs had a vision to create a central 'hub' device that let people control elements of almost every part of their lives. This is exactly how you should view the iPad, it joins the dots between many areas of your life. As more content is produced, more uses will emerge.

Location: where will it be used?



Work
(at the desk, in meetings, quickly showing people documents)



Home
(in the kitchen, bedroom, living room, bathroom)



Out and about
(in museums, shops etc for interactive help and info)



Travel
(planes, trains and automobiles to kill time)



Schools & Universities
(interactive learning , note taking, instant access to information)



Always with you
(for carrying light weight presentations, photos, videos etc.)

The iPad isn't a device you will only use on the sofa; it is something with limitless potential that can permeate all areas of our lives. Here are some of the more obvious places it will be used:

- **Work:** at work tablets will be used for carrying presentations and media to meetings, to display presentations in one-to-one situations and for checking email. It will probably also double as a secondary screen to sit on the desk for checking feeds, Twitter, Facebook and other personal use.
- **Home:** tablets will obviously be used for browsing the internet, making online purchases and using social networks; one of the biggest uses will be reading tablet versions of magazines and newspapers that are visually more appealing than a webpage; in the kitchen and the bedroom a tablet is a perfectly adequate alternative to a small television; as technology catches up, tablets will also be used to control devices in the home like central heating, lighting and more.
- **Out and about:** in Japan, the most successful portable games console in the world, the Nintendo DS, is used by museums and galleries to download temporary content like maps and guides. People can then use the device to help them find their way around and to learn more about exhibits. It makes perfect sense for this use to migrate to tablets like the iPad. Even shopping experiences in supermarkets could be made better with such interactive guidance.
- **Travel:** the iPad is the perfect companion for a commute by train and bus because you can download magazines, newspapers, TV and film directly to the device before you travel; it's even better suited to long haul travel on planes for holidays or business trips. Even passengers in cars will be tempted to play games and watch films.

- **Schools & Universities:** no other device has ever really managed to do this, but the iPad will be the first digital device to begin replacing reference books with better content delivered through the dynamic, interactive media; it could also replace note books for note taking, simple in class exercises and research. While you may recoil at the thought of 2 – 5 year olds playing with an iPad, it's logical that they will eventually be used to teach pre-school children for exercises like letter tracing, colouring etc. It would take years to happen, but it isn't a huge stretch of the imagination to view tablets as an eventual, essential educational partner.
- **Always with you:** tablets are a handy device to keep with you at all times to quickly show or transfer files like presentations, images, word documents, spreadsheets and videos. It's not all work either, when you're on holiday you can use it to store, review and upload your holiday snaps for example.

Role: does this replace the mobile and laptop?

Yes and no. Tablet devices do most of the things laptops can do and some of the things smart phones can do, merging them into one entirely new beast. In some cases, tablets do some things better, cannibalising the use of the two. For instance, casual internet and entertainment media use on a laptop will now be a better experience on a tablet.

It's best to think of the iPad as a very portable, touch screen laptop that will be a viable alternative to notebooks and laptops for personal and some work use (you can even use it as a small monitor with a Bluetooth keyboard). One big similarity with mobiles is that tablets have some location technology built in like GPS, although only for the higher end versions of the iPad.

It certainly won't replace the mobile as a 'phone' or small internet device to whip out of your pocket on the go. Nor will it replace heavy computer use for creation, such as writing long documents, drawing and cropping in art packages, writing computer programmes etc.



Marketing: what opportunities are there for brands?



Display
(a massive opportunity on the internet and in apps)



Search
(seo and ppc in much the same way as online and mobile)



Email
(exactly the same as online for newsletters and in-email banners)



Social media
(presence in networks, word-of-mouth etc - exactly the same as online)



Video
(TV and online video like advertising around video content)



Websites
(iPad / touchscreen friendly brand and campaign sites)



Apps
(like the iPhone, brands can build apps or be part of existing popular apps)



Games
(in-game ads, around games)

Tablets represent the convergence of many types of media; websites, social networks, magazines, newspapers, TV, games consoles and more. The advertising potential is extensive to say the least, with many exciting opportunities already available, listed below:

- Display:** display advertising on the iPad is the biggest opportunity for advertisers because it allows you to deliver an accountable, powerful brand message *literally into the hands* of your consumers. Existing online display adverts on websites already work really well and advertising in apps extends this. We're already seeing some amazing new formats and uses of the touch screen for ads. Some resemble those of online banners, skyscrapers and MPUs but many are going the extra mile. Publishers like the Telegraph, Sky, The Guardian and magazines are investing heavily in very slick, almost print like, designed pages in apps. This is allowing for incredibly slick advert placements within these pages on the iPad, some are up to half the size of the screen and interactive without having to leave the app. Adverts never looked nor *felt* so good!

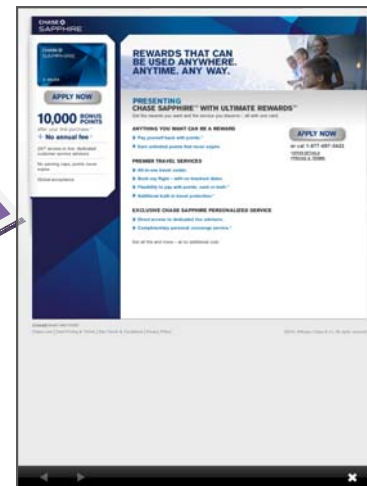
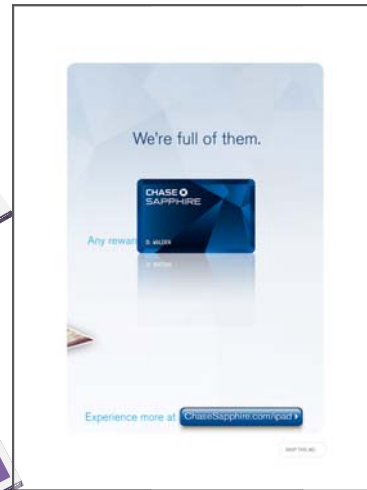
Apple iAd and other tablet ad platforms

On April 8th 2010, Steve Jobs launched iAd, Apple's own ad serving platform. It allows for interactive adverts of various sizes within iPhone, iPod and iPad apps. The ads use HTML5 to run rich media and microsite-like functionality with video, games and more within the app, improving consumer experience. Apple will take 40% of revenues from app publishers using the platform. iAd operates on a time based system that will allow up to 1 billion ad impressions in 24 hours.

Publishers and advertisers can still use other ad platforms within apps and we fully expect these to offer similar technology to Apple's proprietary platform.

Example of interactive and animated display adverts in The New York Times app:

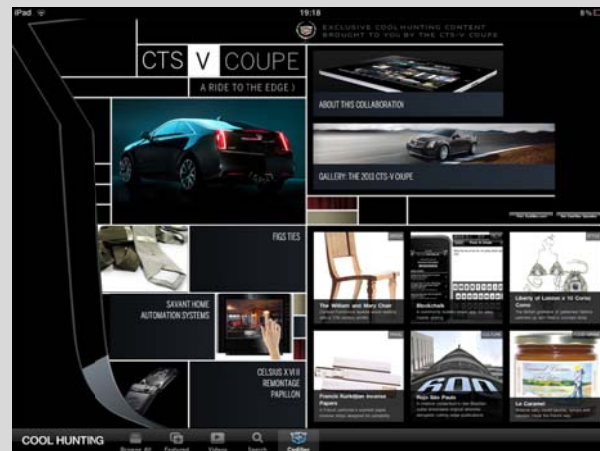
You have to use this app to fully appreciate how user-friendly and impactful it is, but hopefully the images will give you some idea.



- **Search:** using search engines like Bing and Google for natural and paid search marketing will be as big on the iPad as it is online and mobile. It offers instantly accountable advertising that captures a person's intent at that moment. But remember, search is no longer a simple list of text links. Search now means video, images, maps and more. There are huge opportunities for marketers with these richer uses of search to help you stand out on the iPad screen.
- **Email:** tablets are perfectly suited to receiving emails, including newsletters from brands. The opportunity for brands with email is exactly the same as online. You can either write your own newsletter for customer retention or advertise in existing newsletters for acquisition.
- **Social media:** if you've used any form of social media on your computer and iPhone, the experience will be familiar to you on the iPad and the marketing potential is just the same – it's a fantastic way for brands to interact directly with their consumers.
- **Video:** people are used to advertising around video content such as on TV, in the cinema and it's a huge growth area online. It is therefore a natural progression to include advertising around video content on tablets. It's also one of the easiest ways for advertisers to engage with iPad content because many TV and online ads will be perfectly suited to being shown on the iPad's large, high resolution screen. That said, the iPad represents a great opportunity for brands to film ads specifically for the device. We actually expect original iPad video ads to be so popular they will actually force increased adoption of better video ads online too.
- **Websites:** browsing the internet on the iPad has been described by Apple as the best browsing experience yet, and reviews seem to agree. Unlike on mobile, the screen isn't squashed, so using existing websites is a fantastic experience. At the IAB we think it is essential that brands have a web presence online and on mobile and this sentiment now includes tablets. This could mean simply using or tweaking your existing website or a custom built tablet site to make use of the unique interface. The iPad browser can read HTML5, which allows websites to operate similar functionality to Flash. While many companies seem to be creating apps instead of dedicated iPad websites, the IAB strongly recommends that brands do consider a website first. Quite often you don't need an entire app, a website will suffice. There are significant pros of having a website over an app too, such as being found in search engines, the source of most online traffic. App content can't be found in search engines at the moment.

- **Apps:** brands can engage with consumers using apps by either creating their own or advertising within existing ones like normal media, e.g. The Telegraph and Sky apps. Branded apps on the iPhone have been incredibly successful for brands like BarclayCard, Compare the Market and Coors Beer. Likewise, advertising in existing apps has proven as successful as advertising online or in print media. This trend will no doubt continue on the iPad as apps can sometimes offer benefits over a standard website, such as not needing an internet connection once content has been downloaded and currently making better use of the device's touch screen, checkout, GPS location and motion control.

Example Cadillac branded iPad app



Cadillac sponsored the Cool Hunting app during the iPad launch period to promote the Cadillac CTS Coupe

Barriers

As exciting as tablets are, there are some significant barriers to becoming a fully blown, mainstream advertising medium. They include:

- **Penetration:** the single biggest issue for advertisers and publishers is that tablets won't be a mainstream media for quite some time – years in fact. While the initial audience is extremely attractive because of its affluent/early adopter nature, it is still a niche audience. While the iPad will break 1 million unit sales very quickly, companies like Ovum estimate that only “13 million iPads will be sold globally by the end of 2011”. For brands looking for mass reach, this is going to be a huge turn-off.
- **Cost:** ‘perceived’ expense is one issue with the iPad and linked to penetration. The cheapest version will be at least £300 – 400 in the UK. This is actually comparable to a laptop or computer (in fact much cheaper than high end computers) but above the mainstream price point of a casual, optional device of say £200 – 300. This is the typical price of games consoles for instance. People will undoubtedly buy the iPad, but adoption may be slowed down significantly by the price until people see it as a necessity, not a ‘nice to have’.
- **Doubters:** like the iPhone, the iPad will probably suffer from a serious case of doubt from people who simply don't believe it is a device they need. The massive hype surrounding the device will also create a backlash from naysayers that will only create another bump in the road to mainstream penetration.
- **Planning & buying ads:** the internet is already a complicated place with many different forms of advertising. The IAB tries to simplify this with industry standard ad formats, but

in the same way mobile has unique formats to make the most of the medium, so will the iPad. As Hollis Thomasas of Clickz puts it so clearly, “Good media planners try to plan for efficiency - they want to maximize their advertisers' dollars while helping them best achieve their goals. This often means restraint when it comes to ad placements and creative assets: you want to be able to use the same creative assets in multiple placements across multiple buys.” While the iPad’s ad formats will undoubtedly be exciting, a lack of consistency with formats across online and tablet ads will act as a barrier to large campaigns looking for reach. Apple’s move into this area with iAds will probably help to standardise some formats.

Myths and other points

- **Flash:** the lack of Flash on the iPad has been called the tablet's Achilles heel. This couldn't be further from the truth. The mark up language HTML5 used by most new browsers, can do almost as much as Flash. For as long as the iPad doesn't support Flash, advertisers simply need to create ads as GIF files or in HTML5 as an alternative for this device if they wish them to appear. Many brands have already done this successfully on the iPad with fantastic results.
- **Reading:** many people assume the iPad's screen will hurt eyes if read for a long period of time. This isn't actually true – we spend hours looking at and reading our work monitors. Reading on an iPad is exactly the same. The weight of the device is actually the bigger issue for some when reading for long periods.
- **Shared or personal:** at first, tablets may be shared by the whole family, but in the future as they become more affordable, tablets will become personal devices used only by the owner, much like the mobile.
- **Location targeting:** some tablets, including the higher end iPads, have location technology like GPS in them. The cheaper versions will be able to make some guesses as to your location using WiFi hotspots in a similar way to earlier iPhones. Like mobiles this opens many possibilities for advertisers wishing to target by location, which is well worth bearing in mind. Unlike mobiles, tablets are unlikely to be used when you're walking around on the street (e.g. looking for a building using maps) so there are limitations through usage.

Summary

The iPad marks the entry of tablets to the market and hopefully this is a useful insight into the marketing and advertising opportunities. While these are an entirely new breed of device, they are best thought of as extremely portable, touch screen laptops. This means that they do most of the things laptops do, but they will do them in a very unique way. A natural extension of the internet with a twist you could say.

For advertisers, tablets should be a big deal. Not only are they exciting and fun new technology, many media owners are investing serious amounts of money into very high quality products from the outset to secure quality, loyal audiences. This creates fantastic environments for brands to be associated with.

The internet browser on the iPad renders websites and their existing ads beautifully. So if you advertise using online display, search, social media and email, you are already advertising well on tablets. Apps present altogether new opportunities, and for many digital marketers, this is an exciting new part of the internet playground to explore.

Behind all of the hype, penetration is the big 'but' hanging over tablets and it will take time for them to become mainstream. It is important for brands to learn what works early however, and as with all technology, the best way to understand it is to try it.

Thanks to...

Everyone listed below has expertise in fields related to the iPad and contributed to the contents of this report – thank you! You will receive your champagne and steak one day ;)

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- **Jon Mew**, Head of Mobile, IAB
- **Nic Newman**, Head of Strategy and European GM, TigerSpike
- **Oliver Newton**, Head of Emerging Platforms, i-level

References & further reading / watching

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- [iPad - Will it Blend?](#) (April 2010)
- [Advertisers Spend Big on iPad, But Potential Far From Proven by Clickz](#) (April 2010)
- [iPad = Pain for media planners](#)
- [2 year old girl finds iPad easy to use by Mashable](#) (April 2010)
- [Official Apple UK iPad website](#)
- [The Telegraph website's iPad section](#)
- [iPad: Media hype reflects media hope by Ovum](#)
- [Future Shock by Frasier Spiers](#)