

Tablets leaking ad dollars to mobile from 'Net - BuzzCity CEO

By Herman Manson: [@marklives](#)

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[BuzzCity](#) is a global mobile advertising network focused on emerging markets. In Africa this Singapore-based company, in which media giant Naspers owns a stake, does substantial business in South Africa (where it also has a sales office), Kenya, Nigeria and Ghana. It also sees significant growth in mobile traffic in African markets north of the Sahara.



Dr KF Lai, co-founder and CEO of BuzzCity.

In South Africa alone, BuzzCity served 299 901 948 mobile ads in November 2011, with another 176 964 649 being served in Kenya. In Nigeria, it served a massive 349 million ads in the same month.

[Dr KF Lai](#), BuzzCity co-founder (it launched in 1999) and CEO, visits SA every six months, and says he sees remarkable changes in uptake and usage of especially smart- and smart-feature phones (basic phones with smartphone features) in the local market. He believes people have become much more engaged with their phones as they discover social media applications and integrate these into their daily (and increasingly constant) communication.

Publishers, marketing still catching up with consumers

Dr Lai says that publishers and marketers are still catching up with consumers in the mobile market stakes but that they are accelerating their engagement with the medium. Local publishers BuzzCity works with includes the mobisite of [Soccer Laduma](#), many of the 24.com family of properties and international content partners with significant African traffic, especially on the community and lifestyle side.

Naspers bought into BuzzCity three years ago (in 2008) when it invested US\$10 million into the business. In 2010, it upped this stake to 36%. Dr Lai says BuzzCity benefited from the deal through better corporate governance with the assistance of Naspers, as well as improved exposure to the various Naspers businesses around the globe (focused, like BuzzCity, on emerging markets).

In Africa, SA is leading mobile take-up in terms of mobile marketing and content, with the rest of sub-Saharan Africa lagging the country by about three years. Dr Lai says it's interesting to see some brands switching directly to mobile in some of these markets, skipping the Internet, as many consumers in Africa use mobiles as their digital access point, rather than PCs.

Educating marketers, ad agencies remains a challenge

Education for marketers and ad agencies on the opportunities for reaching markets through mobile advertising remains a challenge, says Dr Lai, who notes that marketers don't fully understand how personal a mobile device has become to people (it's an always-on, constant presence in most of our lives). BuzzCity holds regular seminars in Cape Town and in Johannesburg to engage with and help educate the broader advertising industry.

People tend to associate mobile with the youth market. But all generations are active on these devices. Dr Lai says older users (especially in the 35-55 age group) have been picking up social networks, thanks to smartphones. Starting with Facebook, they soon embrace digital services and additional content through apps.

Mobile social networks are used for both communication and entertainment, says Dr Lai; look no further than the most basic interaction on social platforms, namely posting and accessing status updates. Often these status updates doubles up as both sources for information and entertainment.

Speed of mobile commerce adoption

In terms of mobile commerce, Dr Lai says he is surprised at the speed with which it is being adopted in Europe, something he attributes to the success of app stores like that of Apple, that familiarised people with the mobile commerce environment. In emerging markets, lack of banking infrastructure is tempering m-commerce growth at the moment.

Dr Lai says smartphone users are much more likely to access digital services and content, thanks to its friendlier interface - the growth in the adoption of smartphones correlates with increased media consumption via mobile devices.

Tablets, meanwhile, are helping advertising dollars leak from the Internet into mobile, as often marketers classify these devices as mobile devices, even though it's really PC and other computer users who are emigrating to tablet devices (many of them also access the web via tablets, so use isn't limited to apps). It's a great way for marketers to ease into mobile marketing through engagement with mobile experts on shifting advertising budgets towards consumers active on tablets and, ultimately, smartphones.

Social networks, mobile interlinked

Social networks and mobile are increasingly interlinked - obviously mobile makes these platforms more relevant to people's lives. Dr Lai says that in Singapore, where he lives in a condominium, smartphones are coming into play even in the basic management of the complex. Residents are forever taking pictures of problem areas on their smartphones and loading them onto social networks, alerting not only fellow residents but also managers that the pool needs cleaning, or whatever the problem might be.

When marketers talk about social media, they cannot afford to look at it solely as a PC platform. Increasingly, it's very much a mobile platform, which suits Buzzcity just fine, for as people consume more media (especially the socially generated type) through their phones, both publishers and marketers will inevitably have to follow.

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The inaugural Vodacom Social Media Journalist of the Year in 2011, Herman Manson (@marklives) is a business journalist and media commentator who edits industry news site www.marklives.com. His writing has appeared in newspapers and magazines locally and abroad, including Bizcommunity.com. He also co-founded *Brand* magazine.

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