

APPLE CHANGING TERMS FOR IAD PROGRAM



Last July, Apple Inc launched iAd, which is a service for selling advertisements in mobile applications on iPads, iPhones, and iPod touches. Apple is losing ground to Google Inc in the mobile advertising market, which is why the company has decided to change some things around in iAd. Marketing companies claim they are turned off by the high price for the service and how stringent Apple is when it comes to the creative process for the ads. According to the [Wall Street Journal](#), Apple has lowered its commitment to spending from \$1 million to \$500,000 to where it stands now at \$400,000. Apple also introduced flexibility in its pricing scale, one that previously confused its advertisers. The program used to charge advertisers each time an ad was clicked, which caused advertising budgets to become exhausted quickly. Apple is now willing to put a cap on the user tap ads. Every time an ad is tapped on, advertisers pay \$2 and \$10 each time an ad is viewed. Apple has also announced that it will release a training program, in conjunction with its Omnicom Group Inc and OMD. The program will teach the firm and its clients all about mobile marketing. Over the past couple of weeks, close to 30 senior marketing executives from various companies received tours and information sessions from Apple designers and product teams. Those companies included J.C. Penny, Clorox, and PepsiCo. According to some of the execs who participated, they received a visit to the Apple company store, making purchases at a discounted price. "They are still learning the advertising world," says Shiv Singh, head of digital at PepsiCo Beverages. One of the most common iAd advertisements is that of Dove Men + Care soap. The ad banner will be at the top of an application and when clicked on, the ad will load videos featuring athletes such as Andy Pettitte. Additional information about Dove is in the videos as well. There are some marketing companies that are very happy with their iAd campaigns and are looking forward to renewing their deals. Unilever, which is responsible for the Dove ads, are happy with the time spent by Americans on their ads. Most of their ads are viewed for a total of 68 seconds on mobile devices. "We got in there early and we're both learning together. They learn from us and we've learned from them," says Unilever Chief Marketing Officer Keith Weed. "Apple said, 'Let's try to disrupt the advertising business.' On this one, they didn't succeed," says Alexandre Mars, head of mobile for Publicis Groupe SA. "They know that they need to adapt themselves now if they want to survive - even if it is Apple." IDC analyst Karsten Weide said the following about Apple's iAd program: "Apple we believe will, over time, fade into the background," he says. "It was attempted to make sure that even consumers advertising experience on Apple devices was perfect, but it hasn't really worked."

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