

Mobile Usage and Mobile Content Market Overview

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mobile marketing

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Cell Phone Usage Study

- The Cellular Generation - Ages 18-24; these young adults grew up with cell phone awareness, experiencing cell phones as a part of their everyday lives.
- Transitioners - Ages 25-34; these people fall in between two distinct groups: those who grew up with cell phone knowledge and those who did not. Cell phones began to infiltrate everyday life during their teen years and early adulthood.
- Adult Adopters- Age 35 or older; this group was not exposed to cell phone until adulthood. Adult Adopters tend to have the most functional view of cell phones, with many requiring just the basics and showing limited interest in emerging technologies.
 - Approximately one-quarter of both the Cellular Generation (26%) and Transitioners (25%) said that “trendiness” was of high importance when selecting a cell phone, as compared to just 10% of Adult Adopters.
 - 41% of Cellular Generation consumers and 19% of Adult Adopters strongly agree with the statement “I like my cell phone to be personalized” with options such as color schemes and ring tones.

Source: comScore Networks, “Cell Phone Usage Survey”, 01/22/2007



Cell Phone Usage Study II

- Transitioners are most likely to access internet on their cell phones.
- More than 3/4 of both the Cellular Generation and Transitioners have the option to access the internet on their cell phones.
- 29% of Transitioners are more likely to subscribe to Internet services than the 23% of Cellular Generation Consumers.
- The 13% of Adult Adopters represent the slowest demographic to subscribe to Internet on their cell phones.
- 42% of Adult Adopters either lack, or are unaware of, the option to do so.

Source: comScore Networks, "Cell Phone Usage Survey", 01/22/2007

Cell Phone Usage Study III

Cell Phone Internet Usage by Consumer Segment

October 25, 2006 – November 1, 2006

n = 1,180

Source: comScore Networks Wireless Report

	Percent of Respondents		
	Cellular Generation	Transitioners	Adult Adopters
Currently Subscribe	23%	29%	13%
Subscribed in the Past	22%	19%	9%
Never Subscribed	33%	27%	36%
Unaware/Don't Have Option	22%	25%	42%

Source: comScore Networks, "Cell Phone Usage Survey", 01/22/2007



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Source: comScore Networks, "Cell Phone Usage Survey", 01/22/2007

Mobile Phone Users II

- Last year 42% of Americans were active in SMS already. A British survey found that SMS is preferred over voice calls.
- Email is opened in 24 hours and replied to in 48 hours. SMS is read within 15 minutes on average and responded to within 60 minutes.
- 65% of e-mail is spam, less than 10% of SMS is spam.
- In South Korea almost 100% of credit card based point-of-purchase sites accept payment via mobile credit cards.
- Almost 10% of South Korean phone users watch digital broadcast TV on their phones.
- The Pop Idol formats have earned a windfall of over 700 million dollars out of text messaging votes.

Source: Communities Dominate Brands, "Putting 2.7 Billion in context: Mobile phone users", 01/08/2007

Mobile Phone Users III

- In 2005 already half of all phones sold were cameraphones; cameraphones outsell digital cameras by more than 4 to 1.
- There are less than 2 billion people who have a radio, but out of those 700 million are Americans and Europeans.
- 73% of the population now uses the mobile phone as their portable clock.
- The mobile telecoms industry earned \$725 billion last year. \$135 billion of that was mobile data revenues.
- Global music industry earns 16% of its revenues from mobile phones (mostly ring tones) and videogaming earns 14% of its global revenues from mobile phones.
- The mobile telecoms industry grew by 16.8% last year- in dollar terms, from 2005 to 2006 it grew by \$105 billion.
- Before the decade is over, mobile telecoms will be bigger than the global automobile industry, or the global armaments industry, or the worldwide airplane manufacturing business.

Source: Communities Dominate Brands, "Putting 2.7 Billion in context: Mobile phone users", 01/08/2007



Hispanic Mobile Adoption

- U.S. Hispanics include a high proportion of early adopters of new technology:
- 90% of Hispanics have a cell phone, versus 79% of the overall population
- 54% send text messages, versus 31% among whites
- 29% surf the mobile web, versus 12% among whites
- 15% view videos on their phones, versus 5% among whites
- 75% of whites own cell phones, while 72% of Latinos own cell phones.
- 55% of Hispanics say it would be hard to give up their cells, compared to 51% of whites
- 31% of Latinos only have a cell phone (no landline), compared to 22% of whites

Source: New York Times, 05/2006



Hispanic Mobile Usage I

- Latinos are more likely than whites to use their cell phones for all kinds of activities:
- Taking pictures: 56% of Latinos, 26% of whites
- Text messaging: 54% of Latinos, 31% of whites
- Playing games: 40% of Latinos, 20% of whites
- Surfing the internet: 29% of Latinos, 12% of whites
- Playing music files: 16% of Latinos, 5% of whites
- Sending/receiving email: 16% of Latinos, 7% of whites
- Recording video clips: 15% of Latinos, 5% of whites

Source: Pew Internet and American Life Project, "Latinos and cell phones", 06/01/2006

Hispanic Mobile Usage II

- Latinos are also more likely than whites to feel a variety of things about their cell phones:
- Feel their cell phone helped them in emergency situations: 83% of cell-owning Latinos say that, compared to 73% of cell-owning whites
- Use their cell phones to fill up free time while they are traveling or waiting for someone: 57% of cell-owning Latinos say that, compared to 38% of cell-owning whites
- Be shocked at the size of a monthly phone bill: 57% of cell-owning Latinos say that, compared to 32% of cell-owning whites
- Feel pressured to answer their cell phone even when it interrupts them: 36% of cell-owning Latinos say that, compared to 21% of cell-owning whites
- Feel that ownership of a cell phone allows too many people to get in touch with them: 37% of cell-owning Latinos say that, compared to 19% of cell-owning whites
- To say they are not entirely truthful in telling others where they are when they are reached on a cell phone: 39% of cell-owning Latinos say that, compared to 18% of cell-owning whites.

Source: Pew Internet and American Life Project, "Latinos and cell phones", 06/01/2006

U.S. Mobile Consumption August 2006

U.S. Mobile Subscriber Monthly Consumption of Content and Applications

M:Metrics Benchmark Survey: August 2006

Activity	Subscribers (1000s)	Pct	Pct Change
Sent Text Message	73,635	38.0%	3.9%
Used Photo Messaging	28,218	14.5%	8.2%
Browsed News and Information	22,766	11.7%	9.9%
Purchased Ringtone	20,146	10.4%	2.2%
Used Personal E-Mail	16,890	8.7%	10.1%
Used Mobile Instant Messenger	14,449	7.4%	10.9%
Used Work E-Mail	9,901	5.1%	11.0%
Purchased Wallpaper or Screensaver	7,092	3.7%	7.3%
Downloaded Mobile Game	6,264	3.2%	10.5%

Source: M:Metrics, Survey of U.S. mobile subscribers, 08/2006

U.S. Mobile Consumption February 2007

U.S. Mobile Subscriber Monthly Consumption of Content and Applications

M:Metrics Benchmark Survey: February 2007

Activity	Subscribers (1000s)	Pct	Pct Change
Sent Text Message	81,184	39.2%	3.7%
Used Photo Messaging	30,693	14.8%	4.3%
Browsed News and Information	20,480	9.9%	(0.5%)
Purchased Ringtone	19,999	9.7%	(0.1%)
Used Personal E-Mail	17,343	8.4%	2.4%
Used Mobile Instant Messenger	13,797	6.7%	9.1%
Used Work E-Mail	10,187	4.9%	0.0%
Purchased Wallpaper or Screensaver	6,839	3.3%	(0.9%)
Downloaded Mobile Game	6,752	3.3%	(7.4%)

Source: M:Metrics, Survey of U.S. mobile subscribers, 02/2007

U.S. Mobile Consumption September 2007

U.S. Mobile Subscriber Monthly Consumption of Content and Applications M:Metrics Benchmark Survey: September 2007			
Activity	Subscribers (1000s)	Percentage	Percentage Change
Sent Text Message	94,891	44.10%	2.20%
Used Photo Messaging	42,067	19.60%	1.70%
Used Personal E-Mail	20,425	9.50%	1.70%
Purchased Ringtone	20,034	9.30%	1.80%
Used Mobile Instant Messenger	15,102	7.00%	2.90%
Used Work E-Mail	12,430	5.80%	3.20%
Downloaded Mobile Game	7,148	3.30%	-0.20%
Purchased Wallpaper or Screensaver	6,410	3.00%	1.10%

Source: M:Metrics, Survey of U.S. mobile subscribers, 09/2007

Mobile Stats: Text Messaging in U.S.

- Teenagers have made text messaging a routine way to communicate. About 63% of Americans from ages 18 to 27 text message. Those teens are bringing texting to their parents or are moving into the workforce and texting with older colleagues. Now 31% of cell phone owners ages 28 to 39 use text, and 18% of those 40 to 49 do. (Pew Internet & American Life Project, 2006)
- 210 million active mobile phone users in US, of which 90% can text message. (CTIA, 09/10/2006)
- 88% of e-mailers use text messaging. (Bluestreak, 11/2006)
- Average age of text messenger – 38
- About one in seven mobile users (15%) only has a cell phone, with no landline of any kind.
 - Among those who own a landline, 1/3 consider their cell phone their primary number, including 42% of 25-34 year olds and 63% of 18-24 year olds.
- Text messaging is the primary form of electronic communication for many people today. In 2005, 1.3 billion people used text messaging making it the most used data application on the planet, far surpassing email. (Communities Dominate Brands, 07/2006)
- 7.3 billion messages were sent in June 2005, up from 2.9 billion messages in June 2004.
- Mobile messaging will remain the dominant data service, accounting for 68% of data revenues by 2010, driven by new mobile messaging services such as MMS, e-mail and instant messaging. (Jupiter Research)

Source: *multiple*

Text Messaging Is Becoming More And More Important...

- 68% of mobile users have texted and ¼ of non-texters are strongly interested in texting in the future.
- That means 76% of all mobile users use texting or are strongly interested in using it.
- Text messaging comprised 85% of the money spent on mobile data services in 2004.

Source: unknown

Text Messaging Growth

- As of July 2006, 10 billion text messages are sent every month and the number has grown by 250% each year for the last two years.
- Verizon Wireless anticipates the number of text messages sent by their users on their network to grow nearly 5x from 400 million per month (in July 2005) to over 2 billion per month.
- SMS is available on over 98% of all cell phones and there are 68.7 million text users.
- 79% of people in the U.S. own a mobile phone, adding up to 184 million phone users. 182 million of those phones are text enabled. 31.2 million are text and web enabled.
- The median age of a text message user and internet home buyer is 38 years old, 49% being male and 51% female. The amount of users per age:
 - Age 18-24: 19%
 - Age 25-34: 24%
 - Age 35-54: 22%
 - Age 45-54: 19%
- Every 6 months since the launch of the CSCA in June 2003, SMS traffic volumes have increased at least 37% in the U.S.

Source: unknown



Mobile Text Coupons I

- 24% of cell phone owners are interested in receiving special offers and coupons on their cell phones. (JupiterResearch)
- 13% of marketers used text message ads in December 2006. (Forrester Research, 03/2007)
- 14% of U.S. mobile phone users made a purchase as a result of a promotional text message they received.
 - Hollywood Video earned 15%+ redemption rates.
 - Capitol Records earned 10% redemption rates.
 - Dunkin' Donuts' campaign generated a 4% click-through rate that converted into a 21% increase in store traffic from customers redeeming their coupons.

Source: multiple



Mobile Text Coupons II

- JupiterResearch has found that 37% of advertisers utilizing mobile marketing are doing so to increase short-term product sales.
- 24% of cell phone owners are interested in receiving special offers and coupons on their cell phones.
- Barely one percent of cell phone owners have used text messaging for the purposes of obtaining a coupon or discount.
- “Small ticket purchases, along with high value coupons, offer the best near-term opportunities for these marketers.”

Source: JupiterResearch, “Signs of Consumer Interest in Mobile Coupons”

Mobile Coupon Users

- A recent Cellfire study about mobile coupon redemption during the six month period ending June 30 says that Miami-Fort Lauderdale tops the list of markets with the highest per capita usage of mobile coupons, with Northern California and Texas taking most of the other top spots.
- 68 percent of coupons redeemed were from mobile shoppers between the ages of 18-34, followed by shoppers aged 35-44 with 18 percent. Food and entertainment topped the list of categories for which coupons were most frequently redeemed.

Top 10 Markets for Mobile Coupon Usage per Capita

- | | |
|--------------------------------------|---|
| 1) Miami/Fort Lauderdale, FL | 6) El Paso, TX |
| 2) Sacramento, Stockton, Modesto, CA | 7) San Francisco, San Jose, Oakland, CA |
| 3) Chico/Redding, CA | 8) Jonesboro, AR |
| 4) Dallas/Fort Worth, TX | 9) West Palm Beach, Fort Pierce, FL |
| 5) Waco/Temple-Bryan, TX | 10) Atlanta, GA |

- Analysis indicated the majority of discounts were redeemed on Saturday, Tuesday and Sunday, in that order. Tuesday is typically one of the slowest days for retail but one of the highest for mobile coupon usage.

Source: Center for Media Research, "Miami Mobile Shoppers Top Coupon Users", 08/13/2007

SMS in Financial Service Market (Duck9 Case Study)

- Challenge: Convince college students to pay attention to their credit ratings.
- Campaign: Rather than expecting students to visit their website, Chiang, owner of Duck9, hosted credit seminars at college campuses across the country to meet students.
- They collected data from students including: name, email address, and cell phone.
- Next, Duck9 sent a simple SMS text message saying “Duck9 reminder to check your NYU visa that’s due the 25th. This’ll be your 17th on time payment.”
- Results: In two years, Duck9 has signed up 500,000 subscribers for their free SMS reminder service. 50% are converting to registered users on the Duck9 site.
- Not everyone loves the service, but their unsubscribe rate is just under 6%.
- The “friend-of-the-student” approach to seminars has been so successful that Chiang is seeing 90% signup for the service.

Source: MarketingSherpa, “How Text Messaging Helps Financial Services Marketer Target College Students”, 02/22/2007

Mobile Marketing (Chevrolet Case Study)

- Current (and potential) advertisers pay to sponsor a publication's mobile content.
- Example: Chevrolet rolled out a mobile advertising initiative with USA Today and 4Info's text-messaging platform in 2006.
 - During the 2007 March Madness tournament, more than 750,000 text messages were sent to USA Today readers, many looking for updates on the NCAA basketball tournament. Consumers were able to reply to the ads to find the Chevrolet dealer closest to them.

Source: USA Today, 06/11/2007

Mobile Marketing (Saab Case Study)

- Saab, one of the sponsors of the 18th annual Boston Wine Festival, decided to forgo the traditional business reply card normally handed out at such events in favor of a mobile alternative.
 - Attendees are being asked to text in their cell phone numbers to receive food and wine tips.
- When they receive their first tip, users are then presented with the option of answering questions about a prospective Saab purchase. The next step will be GM dealers contacting interested buyers.
- In order to be compliant with anti-spam laws, consumers who want to opt out of any of Saab's mobile marketing need only send the word "stop" as a reply text.
- The program was executed by Soapbox Mobile. Saab put less than \$1 million into the effort.
- 38% of those who have already texted into the campaign ultimately requested information about a Saab.
- To target the "youth market, they're looking at a much more involved execution, like an on-the-fly fantasy game".

Source: "Saab Dips its Toe into Mobile Marketing", 02/26/2007



Mobile Messaging in Radio

- Clear Channel Communications has launched a free mobile messaging program on five radio stations in New York City.
- The text-messaging program will be sponsored by mobile ads. CEO John Hogan said advertisers “will pay us for the number of people we are able to reach.”
- Pending success in New York, Clear Channel plans to launch similar programs on up to 100 more stations by the end of 2008, with Salt Lake City and St. Louis slated to go live within the next two months.

Source: New York Times, 05/22/2007

Emergency Text Messaging System (UMD Case Study)

- The University of Maryland is urging all students, faculty and staff to quickly register for UM alert- the university's new emergency text messaging system.
- UM Alert is a software-based web application that allows the University of Maryland to send emergency text messages to cell phones, pagers, BlackBerries, PDAs, and/or email accounts.
- When an emergency occurs on campus, the university will now be able to send a text message within minutes to all registered devices.
- UM alert is a connection to real-time updates, instructions on where to go, what to do, what not to do, who to contact and other important information.
- The service is free and simply requires members of the University to register online for a UM Alert account. Alerts are sent to all devices listed in your UM Alert account.

Source: University of Maryland, "UM Alert"

Colleges Using Texting (Bucknell U. Case Study)

- Bucknell University rolled out a new service this month that pushes cell phone text messages to its 47,000 alumni.
- The messages also can be viewed on a Web site formatted for cellphones with Web capability, which gives Bucknell the opportunity to push video, too.
- The service is a logical next step for colleges that already send text messages to students' cellphones. Colleges in late 2005 began contracting with vendors to provide the messages, which inform students of canceled classes, bus schedules, and other campus news. After the massacre at Virginia Tech, in April, more colleges signed up to alert students to emergencies.
- Colleges are listening, particularly because they are eager to connect with young alumni, who are accustomed to using mobile devices and more likely to ignore traditional e-mail, said James E. Saqui Jr., director of marketing communications at Valparaiso University School of Law.

Source: The Chronicle, "To Tug Alumni Heartstrings, Bucknell U. Reaches Out and Text-Messages Them", 10/26/2007



Mobile Advertisement Growth

- U.S. mobile ad spending will grow to \$4.8 billion in 2011 from \$421 million in 2006, or to 12% from 2.6% of overall U.S. ad dollars.
- Mobile advertising in the United States is expected to double to \$878 million, mainly through cross-media campaigns where mobile devices are tagged for direct response marketing.
- By 2010, mobile marketing and content tied to broadcast TV is expected to reach nearly \$1 billion.

Source: eMarketer, "High Conversions Fuel Mobile Ad Growth", 01/10/2007

Mobile Marketing I

- More and more Americans are upgrading to WAP (wireless access protocol)-enabled phones, which have video and Web-access capabilities.
- 200 million people in the United States carry cell phones. 72.4% of adults in the U.S. have cell phones and the most active mobile users are college kids and affluent business travelers.
- Those on the leading edge are experimenting with actual programming—commercials disguised as "mobisodes" (mobile episodes)—that run on cell phones just like traditional broadcast or cable content.
- Three-quarters of cell phone users ages 10 to 18 said they do not think it's OK to be marketed to on a mobile device. 79% of consumers are turned off by the idea of ads on their phones and a mere 3% of respondents said they trust text ads.
- The U.S. lags far behind Europe and Asia, where texting is as much a part of the local culture as language. It also helps that texts can often be received for free overseas, but can cost as much as 10 cents apiece in the U.S.

Source: Brandweek, "Dial 'M' For Murder", 01/08/2007

Mobile Marketing II

- About 95% of the devices consumers are buying today have text or SMS functionality.
- Texting is where marketers have chosen to make their first inroads. However, six million people have already complained about getting SMS solicitations without their consent. SMS spam is such a concern that it can take six to eight weeks for a provider to approve a campaign.
- When a cell-phone user accesses the Web through his phone, he'll most likely be sent to his carrier's "on-deck" or "on-portal" page, where he can check out weather reports, top news headlines and find quick links for content downloads. An estimated 80% of all mobile Web surfing takes place via on-deck pages. Nevertheless, off-deck pages are becoming more common.
- The CPM rate for mobile banner ad impressions (\$30 to \$50 per thousand) is considerably higher for mobile than it is on the Internet, but then again, so are the click-through rates of 3% to 5%.

Source: Brandweek, "Dial 'M' For Murder", 01/08/2007



Mobile Internet Usage

- Recent Mobile Internet Stats (United States only):
 - 88% of today's phones come with web browsing capabilities
 - 117 MM people have web capable phones
 - 16.6% usage

Source: unknown

What Makes a Good WAP Site?

- Vote now and vote often: Make sure the vote matters,
 - If there is no outcome or no prize or involvement, there is no motivation to participate.
 - If a vote involves something users are passionate about, like a sport, and they can see the results in some way, then they feel a part of the brand.
- Give them something of mobile value:
 - Whether as premium content or promotional freebies, let users access the ringtones and wallpapers that may be expressive of your brand. Give them the goods.
 - When enPocket's Dan Hodges was on my recent MediaPost Out Front panel on mobile, he told us that 175,000 users downloaded the Pepsi brand wallpaper after clicking through on the Super Bowl mobile banner ad promotion.
- Technical fundamentals worth considering: follow the three-screen rule
 - Don't give users more than ten options to click on a page.
 - Using a handset's native text-to-label buttons is nice to accelerate page loading speeds but in turn you lose control over the page width, and that can produce some ugly WAP results.
 - If you use image buttons, tag the image names with the actual button functions... this allows users to navigate even if the page doesn't load quickly or completely.
 - Most users will spend three to five minutes with a mobile site if they see the value, but if you grab a target that is passionate about the topic there is no apparent limit to his engagement. If the targeting is right and the messaging is deep, then all of the other limitations that guide mobile Web design get tossed out the window—by the engaged user himself.

Source: MediaPost's MobileInsider, 05/10/2007

WAP Sites (ExxonMobil Case Study)

- Background:
 - ExxonMobil created a WAP site featuring find-a-station, rebates, special offers and food deals.
- Costs:
 - Funded through network advertising
- Objectives:
 - Drive traffic to ExxonMobil WAP site
 - Create buzz for coffee sold at ExxonMobil's On-the-Run stores
- Campaign:
 - Click-to-WAP campaign.
 - ExxonMobil purchased a WAP run-of-site on in news content from late-June through mid-October 2006
- Results:
 - 4.24% click-through rate
 - Created increased user interaction on ExxonMobile's WAP site

Source: unknown



WAP Network Advertisers

- Ad serving software is placed on a newspaper's WAP site, earning revenues for impressions and clicks.
 - Example: Numerous publisher WAP sites contain small banner ads served by Third Screen Media.
 - Fee of between \$5 and \$40 CPM (depending on market) typically is paid to publisher.
 - If a reader clicks on an ad, additional fee is negotiated.
 - All sales, ad serving, creative, etc. are handled externally – no publisher involvement.

Source: unknown



Web Ads on Cell Phones

- Yahoo is creating a mobile advertising network that will allow marketers to place ads not only on its mobile services, but also on those of other online publishers.
- Yahoo's network of publishers at this point is tiny - three Web services, including MobiTV, a video service to be used with cellphones; Opera, a maker of Web browsers; and Go2, a Yellow Pages site.
- Advertising on sites arrayed for mobile phones is a tiny market, but it is expected to grow quickly, and a number of companies, including the leading wireless carriers, are jockeying for position. Yahoo and Google have both been delivering ads linked to search results on cellphones since last year, but Yahoo is the first of the major Internet firms to introduce a mobile ad network.
- Analysts say the market for mobile search and advertising is so young, and the relationships between technology firms, advertisers and carriers so fluid, that no real leader has emerged.

Source: New York Times, "Yahoo to Offer a Network for Web Ads on Cell Phones", 03/27/2007



Mobile Content Revenue

- Though mobile content is still a small market, it is growing quickly.
- Global sales of music, video, ringtones and other content reached \$27.4 billion last year, and they are expected to grow to \$59.3 billion by 2011, according to the technology-research and consulting firm Yankee Group.

Source: unknown

Mobile TV I

Demographic Profile of Mobile TV March 19-23, 2007 (Percent of All Respondents)				
	Respondents	Subscribes to Mobile TV	Interested in Mobile TV	Not Interested in Mobile TV
Male	50%	65%	54%	41%
Female	50	35	46	59
18 - 24 Years Old	8	17	7	5
25 - 34 Years Old	25	29	29	21
35 - 44 Years Old	29	30	30	28
45 - 54 Years Old	24	13	22	26
55 - 64 Years Old	11	11	8	16
65+ Years Old	2	0	2	3

Source: comScore Mobile TV Study, April 2007

Serge Matta, senior vice president of comScore Telecom Solutions, said "While the use of Mobile TV is a growing trend among mobile phone users, its current devotees appear to be the early adopters of new technologies... Once the early adopters have had a chance to fully engage with the technology and share their experiences ... Mobile TV is substantially more likely to reach a critical mass in the marketplace."

Source: MediaPost, "The Early Adopter Profile Supporting Mobile TV", 05/03/2007

Mobile TV II

- comScore asked consumers about their awareness of Mobile TV services:
 - Verizon V-Cast generated the highest overall awareness of Mobile TV services, with 22% of respondents familiar with the service.
 - 9% were aware of MobiTV and 3% were aware of Modeo.
- Awareness was substantially higher for those who currently subscribe to Mobile TV.
 - Verizon V-Cast 43%
 - MobiTV 34%
 - Modeo 15%
- Overall, consumers would prefer to watch traditional-style Mobile TV content rather than modified or specialized content:
 - 56% of respondents would prefer to watch the “entire TV show” rather than a condensed version.
 - 53% favored general content (such as news) over focused content (such as extreme sports programming).

Source: MediaPost, “The Early Adopter Profile Supporting Mobile TV”, 05/03/2007

Mobile TV III

- Of those who currently subscribe to Mobile TV:
 - 46% prefer general content to focused content
 - 43% prefer entire TV shows to condensed TV shows
- Those interested in Mobile TV preferred local news, dramas, movies and sitcoms above other content
 - Approximately 71% of respondents said that “cost of service” was a top consideration in selecting a Mobile TV service however 67% who are interested in subscribing to Mobile TV also said that they would be willing to watch sponsored advertisements in return for free subscriptions, while 64% also favored a test period before committing to a subscription.
 - Half of the respondents said that “picture quality” was very important in selecting a Mobile TV service, while 47% indicated the same for “screen size” and 43% for “channel reception.”

Source: MediaPost, “The Early Adopter Profile Supporting Mobile TV”, 05/03/2007

Mobile TV IV

Key Motivators in Subscribing to Mobile TV Service (*March 19-23, 2007 Percent of Respondents*)

	<i>% Of All Respondents</i>	<i>Subscribers to Mobile TV</i>	<i>Interested in Mobile TV</i>	<i>Not Interested in Mobile TV</i>
Cost of service	71%	64%	76%	63%
Picture quality	50	49	59	36
Screen size	47	47	49	44
Channel reception	43	46	54	27
Available channels	40	52	53	20
Sound quality	39	39	48	27
Ease of use	25	36	29	16
Security	16	21	19	8

Source: comScore Mobile TV Study, April 2007

Source: MediaPost, "The Early Adopter Profile Supporting Mobile TV", 05/03/2007



Mobile TV and Video

- A new study by mobile research firm Telephia reveals that 8.4 million people in the United States subscribed to mobile video services during the first quarter.
- While that figure marks a 155% increase from last year's 3.3 million, it represents just 3.6% of all mobile subscribers.
- Mobile video revenue also ballooned to \$146 million -- a threefold increase from last year, but still lagging behind the \$239 million revenue in mobile audio, including ringtones.

Source: Media Post, "Study: Pre-iPhone, Mobile Video Still Has Far To Go", 06/26/2007

Cell Phones Scanning Bar Codes

- In their new incarnation, cellphones become a sort of digital remote control, as one CBS executive put it. With a wave, the phone can read encoded information on everyday objects and translate that into videos, pictures or text files on its screen.
- Users in Japan can already point their phones at magazine ads to receive insurance quotes, and board airplanes using their phones rather than paper tickets. And film promoters can send their movie trailers from billboards. In Japan, some highway billboards have codes large enough for passing motorists to read them with their phones.
- The most promising way to link cellphones with physical objects is a new generation of bar codes: square-shaped mosaics of black and white boxes that can hold much more information than traditional bar codes.
- The cameras on cellphones scan the codes, and then the codes are translated into videos, music or text on the phone screens. The new technology would allow phones to read the codes from computer screens too.
- One of the most popular uses in Japan has been paperless airline tickets. About 10% of the people who take domestic flights of All Nippon Airways now use the codes on their cellphones instead of printed tickets.
- About a third of the 84 million households with cellphones in the United States have phones that have cameras on them, according to Forrester Research.

Source: New York Times, "New Bar Codes Can Talk With Your Cellphone", 04/01/2007

Mobile Point-Based Search

- According to market researcher Informa Telecoms & Media, advertisers will spend more than \$11 billion by 2011 on mobile marketing.
- Google said it is expecting significant growth in mobile search queries this year with a rise in mobile advertising next year.
- GeoVector has developed a simple and intuitive user interface for location based services allowing users to point their phone at an object and receive information about it. It is the mobile and localized equivalent of opening the yellow pages.
- GeoVector's pointing based search solutions provide a pull-based, user requested, link between advertisers and their target demographic.
- As long as the object has latitude and longitude associated with it, then data can be retrieved by a GeoVector enabled pointing device, from any distance and with no direct line of sight needed.
- Advertising in Select Directions: a user could request all the advertisements from establishments in a particular direction.
- Advertising Relevant to a Particular Targeted Object: pointing at the Golden Gate Bridge would tag this physical reference to search Amazon for movies that feature the bridge, books about the bridge, etc.
- Immediate Translations of Promotional Messages: the advertisement could be translated into the user's native language.

Source: GeoVector, "How GeoVector Enables and Enhances Advertising"

Mobile Search

- Pay-per-click advertising tied to Web search results erupted into a multibillion-dollar industry within a few years, and Internet companies hope mobile phone services will follow a similar growth trajectory.
- ABI Research forecast global mobile marketing and advertising to increase sixfold to \$19 billion by 2011 from an estimated \$3 billion by the end of 2007.
- Improved voice-recognition technology and the inclusion of global positioning system chips into mobile phones open the door for new applications to help users find relevant information wherever they find themselves. In addition, improvements in handset technology make today's cell phone capable of doing almost as much as computers of a decade ago.
- Yahoo signed deals to feature its software on four of the world's top five mobile handset makers.
- Tellme Chief Executive Mike McCue said the pace of innovations on the mobile phone was five to ten times faster than the computer.
- Initially, mobile search will serve as an alternative to 411 directory assistance service. Earlier this month, Google also began offering voice-activated directory assistance.
- Industry watchers and company executives recognize the inherent difference between search on a computer and on a mobile phone. Search on a computer can be a browsing activity for research, while mobile search is more about finding information and then acting on it.

Source: Reuters "Mobile Phones Represent Next Frontier for Search", 04/20/2007

The Emergence of Social Marketing

- JupiterResearch has found that 48% of brand marketers plan to use social marketing tactics in the next years, compared to 38% who did so last year.
- In a new report, “Social Networking Sites: Defining Advertising Opportunities in a Competitive Landscape”, JupiterResearch defines social networking sites as websites designed for members to create and post content, usually in the form of profile pages, in order to communicate with each other.
- Users between 18-34 are much more likely than older audiences to visit social networks daily.
- 30% of frequent social networkers trust their peers’ opinions when making a major purchase decision, but only 10% trust advertisements.
- “As brand marketers increase their use of social tactics, they are competing not only among themselves but also with frequent networkers.”

Source: JupiterResearch, 2007

IT in Social Media I

- A new study by ITtoolbox confirms that today's Information Technology decision-makers and influencers not only turn to traditional vendor Web sites and editorial media Web sites for research, but also join peer-driven communities and participate in user-generated content to help in the decision process.
- IT professionals who responded to the survey cited social media as the most trustworthy online source of information when making purchasing decisions. In addition:
 - Executive decision-makers spend nearly 3 ½ hours per week consuming or participating in social media.
 - Nearly two-thirds of IT professionals who were surveyed believe that social media content and user-generated tools have made for a more informed purchasing decision.
 - IT decision-makers and influencers trust user-generated content more than traditional content sources.
 - IT audiences now spend as much or more time consuming or participating in social media as they do consuming editorial media or vendor content.

Source: Center for Media Research, "IT Execs Extend Trust to Social Media in Making Purchase Decisions", 07/03/2007

IT in Social Media II

- Specifically, the response to which sites are referenced most often:
 - Vendor Web sites are referenced information sources for IT purchasing information often or very often by 61.5% of respondents.
 - User-generated content is referenced often or very often by 42.6% of respondents.
 - Editorial Web sites and trade magazines are referenced often or very often by 40.7% of respondents.
 - Paid analyst research, catalogs and buyer's guides are referenced often or very often by only 24.75% of respondents, on average.
- Other key findings of the survey include:
 - Asian IT management and staff spend the most time consuming or participating in social media - 4.45 hours per week.
 - More than half of survey respondents noted a modest to substantial increase in IT purchasing budgets for 2007.

Source: Center for Media Research, "IT Execs Extend Trust to Social Media in Making Purchase Decisions", 07/03/2007

Social Networking Sites

- Facebook, the Internet's second-largest social network, is getting in MySpace's face as its membership rolls have exploded at triple-digit growth rates.
- Facebook has expanded by inviting thousands of technology companies and programmers to contribute features to its already successful service.
- Facebook, which is largely supported by advertising, has gained significant momentum over the last year.
- Since the site opened to non-students eight months ago, its membership has doubled to 24 million.
- Users now spend an average of 14 minutes on the site every time they visit, up from eight minutes last September.
- MySpace remains nearly three times the size of Facebook, with 67 million active members-- up from 48 million a year ago- who spend an average of 30 minutes on the site each time they visit.
- According to Hitwise US Consumer Generated Media Report, 1 in 20 web visits go to social networking sites, nearly double the share of visits compared with a year ago.

Source: New York Times, 05/25/2007



Social Networking Penetration

- Social networking penetration is at a whopping 96% among those 9-17, according to Alloy Media & Marketing. That figure refers to teens who connect to a social network at least once a week.

Source: Ad Age, "Social Networks Near 100% Penetration Among Kids", 06/10/2007

MySpace vs. Newspapers

- Newspapers need to watch out for online competition from a less obvious source--social networks. That's according to a global study of youth media behavior commissioned by the World Association of Newspapers and performed by research firm D-Code.
- The study, titled "Youth Media DNA," found that "the importance of the social network as a disseminator of news and information is on the rise." The survey elaborated: "Many participants in this phase listed 'discussion with friends' as a top source for news and information, sometimes ranking higher than TV or newspapers."
- In this context, the study said, the best strategy for newspapers may be inserting themselves into the social networks, where their content will appear alongside--and perhaps become absorbed into--the online discussion and debate.
- In mid-April, MySpace launched a news aggregator that draws on content from newspapers as well as other sources, and allows users to vote for the best stories.
- But this just brings up another problematic finding for newspapers from the survey: often, young people "do not realize they are reading online versions of newspapers." Newspapers are still struggling with this conundrum, seeking ways to brand content so it can be both recognized by the reader and monetized by the newspaper--but there's no clear solution in sight.

Source: *"MySpace...The Biggest Threat to Newspapers?"*, 06/18/2007

Baby Boomers

- Baby Boomers are consumers born between 1946 and 1964.
- According to the Mediamark Research BoomerView study, Percent of Baby Boomers who... (% of Boomers, % More/Less Likely than All Adults)
 - Personally carry any medical, hospital or accident insurance 76.8%, +6%
 - Voted in a federal, state or local election in the last 12 months 55.0, +22%
 - Have a regular (2+ times weekly) exercise program 42.4, +2%
 - Played the Lottery in the last 12 months 41.0, +18%
 - Say "Preserving the Environment" is a very important guiding principle in their lives 40.7, +11%
 - Believe they will be better off financially in the next 12 months than they are now 39.1, -5%
 - Live in a household that owns or leases at least 3 vehicles 35.6, +31%
 - Did home remodeling in last 12 months 30.8, +21%
 - Signed a petition in the last 12 months 21.7, +21%
 - Own a Giant Screen TV (>42") 13.9, +10%
- Source: MRI's Spring '07 Survey of the American Consumer

Source: Media Post, "Boomers Vote and Play the Lottery", 10/18/2007

Informed Consumerism

- Research from Yahoo! and ChannelForce says consumers who search online for televisions and digital cameras spend 10% more when making their purchase in-store than those who did not use a search engine.
- The survey also found that a vast majority research products online prior to making in-store purchases, and that online research is helping consumers make key purchasing decisions before they enter a store.
- Key findings include:
 - 75% who researched their purchases before visiting a retail location used the Internet as their primary source of information. The leading online resources were retail Web sites (73%), manufacturer websites (68%) and search engines (49%).
 - Those who search spend an average of \$31 more on digital cameras and \$46 more on digital camera packages; and an average of \$139 more on TVs and \$190 on TV packages.
 - More than 80% of consumers who research before making a purchase end up buying a brand from their original consideration set. The remaining 20% said the in-store sales person was highly influential in their decision.
 - About 75% of people did not know the model they wanted when they walked into a retail store.

Source: Center for Media Research, "Consumers Spend More on Electronics if Studied First on Web", 07/10/2007



Word of Mouth Ethics

- Ethical marketing comes down to two things: be honest about the product or service and be honest about your stake in it.
- Dr. Walter Carl, a leading researcher in word-of-mouth marketing, found that disclosure increased pass-along rates by as much as 70%* – a data point supported by our experience here at PopularMedia.
- According to research by the Keller Fay Group, more than 80 percent of conversations about brands are with spouses, family members, personal friends, and co-workers.
- 74% of consumers who received negative recommendations from personal contacts were influenced to purchase another brand – making negative WOM a more powerful force than company-led efforts, independent reviews and press, or the blogosphere.

Source: PopularMedia, “Word of Mouth Ethics”



Advertising Hot Spots

- A survey released last week by Arbitron described bars, bar-restaurants and lounges as “the new out-of-home hot spot for advertisers to reach consumers.” According to the survey, 50 percent of Americans 21 and older visited those places in the last month.
- The survey also found that 27 percent of bargoers describe themselves as early adopters of new products, in contrast to 18 percent of those who said they had not been to a bar in the last month.
- And 26 percent of monthly bargoers said they frequently recommended new products to friends, family and co-workers, according to the survey, in contrast to 19 percent who said they did not go to a bar in the last month.

Source: NY Times, “A Promotion to Sell Cars by ‘Losing’ the Keys”, 03/19/2007