FirstPartner/du Media Lab

Mobile Content and Advertising

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An Introduction To FirstPartner

- FirstPartner is a Research and Go To Market Agency focussed on:
  - Clearly defining market opportunities
  - Building profitable, customer centric products and propositions
  - Accelerating product launch
  - Optimising marketing effectiveness
- We work in both Consumer and B2B Markets and have a particular focus on Telecoms, Technology and Media sectors.
- We aim to bring to our clients a combination of deep industry knowledge, structured analysis and hands-on product development and marketing experience
- We have worked extensively across Europe and are now operating in MENA.

Session 1: Communicating through Mobile Media

1) Triggers for Consumer Adoption of Mobile Media

2) The Apps Opportunity

3) The Mobile Social Networking Opportunity

Triggers For Consumer Adoption of Mobile Media

What Do We Mean By Mobile Media?

Mapping and Navigation

Mobile Internet

Social Networking

Wallpapers

Apps

Mobile TV

Games

Music

Content alerts

Ring Back Tones

Ring Tones

Video

Why Does it Matter ?

- The value of the worldwide mobile media market will rise from $32 billion for 2009 to $36 billion for 2010 [1]
- The number of apps that will be downloaded in 2010 is 6.6 billion – more than double the number for 2009 [2]
- In UAE/KSA 51% of internet users also access the internet through their mobile phone, 63% do in Jordan and 40% in Egypt [3]
- In the UK, 42% of consumers used a mobile application, 37% used a browser 37% accessed news or information and 25% accessed a social network or blog [4]

In many Markets Mobile is becoming a leading channel for Internet Access

1 Mobile Entertainment Forum/KPMG
2 ABI Research
3 Arab Advisors Arab Advisors Group's A survey of Internet Use and Online Advertising Consumption and Effectiveness Surveys
4 ComScore: Results for 3 months to July 2010

For discussion

What is the role of mobile media in your consumer communications strategies

What barriers do you see to consumer adoption –
- and how does this vary by country ?

Some Key Enablers

- Smartphone adoption
- Data plans
- Social networking
- A vibrant local content industry
- Promotion and distribution

The Apps Opportunity

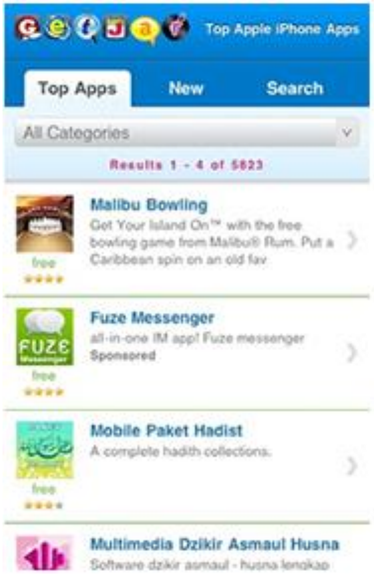
It’s Not Just Apple or Nokia…..

Others to Watch…….

APPSOLUTELY EVERYTHING®

"The world's second largest app store"

- Independent app store with a direct to consumer, white label & syndicated distribution models
- Apps are free to consumer



Claims over:

- 1BN downloads to date
- 3M daily downloads (vs Ovi 1.7M)
- 75,000 Games or Apps
- 300,000 registered developers
- 2,100 supported devices covering Symbian, Android, Blackberry, i-phone, Windows Mobile
- 25 Million consumers reached in 200 + countries

Promotional Tools:

- "App-it" Link allows developers to promote apps virally and through social media sites
- Pay per download bidding and app advertising options

Others to Watch…..

snaptu
A WORLD OF FREE APPS, ON ANY PHONE

- Brings a smart phone App experience to ordinary phones
- Includes: Facebook, Twitter, Picasa and Flickr
- Works on any data capable phone that can support Java
- Distributed direct to consumer and via operators
- Claims 10M registered users
- Raised $6M July 2010

For Discussion

Are Apps a cost effective consumer engagement channel?

What should be done to stimulate an active development community?

Can Operators stimulate the market?

The Mobile Social Networking Opportunity

“Saying mobile is going to be big is silly. Mobile is big. Mobile is getting bigger. [...] Our goal is we want to make Facebook available everywhere on every device.”

Sheryl Sandberg COO Facebook interviewed by the Huffington Post 30th Sept 2010

Social Media In MENA

- Arabic version launched 2009
- The most popular Social Networking site in the region in the top 5 most visited websites for most countries

- Has seen huge growth in the region with 41% of regional users in UAE and 14% in Egypt
- Early commercial use

- Largest site in the Arab world for user generated content
- 8 M unique visitors per month
- 1.6 M registered users per month
- 160,000 blogs

Source: Dubai Press Club/Value Partners/The Nielsen Company

Social Media Usage By Country

UAE

- 2nd favourite activity on-line activity
- 70% of internet users use social media visiting 5.4 times per week
- Top three sites: Facebook English, Facebook Arabic, Maktoob

Egypt

- 4th favourite activity on-line activity
- 60% use social media, visiting over seven times per week.
- Top three sites: Facebook Arabic, Facebook English, Maktoob

Saudi Arabia

- 5th favourite on-line activity
- 65% use social media, visiting 5.4 times per week
- Top 3 Sites Facebook Arabic, Maktoob, Facebook English

Source: Dubai Press Club/Value Partners/The Nielsen Company

Glamoo Case Study

glamoo

A SOCIAL AUCTION-SITE

BUSINESS: MOBILE SOLO COMMERCE

glamoo

An innovative premium buying-club that allows its members to save, not spend money, through exclusive offers on goods and services with discounts up to 90%.

Business Model

- ARPU levels varying between USD50 and USD200.
- Margins on sales range between 30 ad 50% and customer bases rapidly growing to the millions.
- Feeds from premium subscriptions (100% margins) and advertising revenues (mainly CPA 100% margins).
- Group buying is supported strongly by social networks.
- In Japan mobile commerce is worth over USD12 billion. This is made possible by advance smart handsets and nearly 100% 3G penetration.

Offerings

- Up to 90% discounts.

- It will provide members with daily offers targeted according to the location and user preferences – Limited time available 3 to 36 hours.

- In some cases, minimum purchases are required – Members can achieve this by easily inviting friend on facebook, twitter or via email.

To succeed in this market you need the following characteristics:

1. **MOBILE CENTRICITY** – having Glamoo application in your phone.
2. **MEMBERSHIP**.
3. **GEMS** – will be able to earn GEMS and then redeem them against daily offers.
4. **SOCIAL SHOPPING** – rating and reviewing offers.
5. **CRM** – Smart retention campaigns are focus on driving increased usage of the service through do X get Y campaigns.
6. **MOBILE VOUCHERS** – Glamoo has developed a simple yet powerful mobile vouchering system to ensure ease of redemption and prevent any concerns on 'negative redemption'.

Market Strategy

1. **MEMBERS ACQUISITIONS**
   - **Online:** Google, emails, Facebook and Twitter campaigns**.**
   - **Mobile:** Free distribution of application via the application store android + co-marketing arrangements**.**

2. **MERCHANTS + BRAND ACQUISITIONS**
   - Acquisition of local merchants is carried out by Glamoo ambassadors, who are coordinated by a country manager and secure dozens of deals a week in each of the mayor cities where Glamoo operates in exchange for a small fee**.**

Some Other Successful Mobile Social Networks

- South African mobile IM service
- 19 M registered users
- Expanded internationally
- Offers additional social media services including payments

- Largest UK flirting site
- 950k users
- Revenues from innovative gifting and advertisng

- Location based Social Network
- Operated as direct to customer but also white label
- Deals to preload on up to 85 M devices though China Mobile, China Unicom and China Telecom

For Discussion

Is there a role for specialist mobile Social Networks in the region?

For Discussion

Can companies use social networking effectively to engage with consumers?

Session 2: The Mobile Advertising Opportunity

1) The Mobile Advertising Landscape

2) Getting Creative with Mobile

3) Making Mobile Accountable

4) An Agenda for Developing Mobile Ad in the MENA Region

The Mobile Advertising Landscape

The Promise of Mobile Advertising

- Turkcell 2009 revenue from mobile advertising and marketing: **$100M**
- Delivered 1200 mobile marketing projects with 500 brands in 37 industries

- Vodacom Please Call Me reaches up to 24M unique users p/mth
- InMobi delivered 1BN + ad requests in South Africa in July 2010

Factors for Market Success

Market readiness is determined by :

1. High mobile penetration or growth
2. Competitive mobile pricing
3. Low fixed broadband penetration
4. Strong growth in advertising spend
5. A vibrant agency sector - willing to experiment
6. Young populations
7. Mobile operator commitment

Three Categories of Market

Emerging	Growth	Developed
• Mobile Penetration < 50% • Internet Penetration <10% • Ad spend <0.2% GDP • Little digital advertising • Low income/price sensitive subs	• Mobile Penetration 50% - 100% • Internet Penetration 10%-60% • Ad spend 0.2 to 0.5% GDP • Growing digital ad market • Strong growth in new ad mediums (e.g. outdoor) • Low income/price sensitive subs	• Mobile Penetration .100% • Internet Penetration >60% • Ad spend >0.5% GDP • Sophisticated digital media market • Price sensitive niches
• Zambia • Yemen	• South Africa • Egypt	•UK •UAE

All three markets present different opportunities

All three markets are represented in the MENA region

Promising But Unproven………..

UAE

One of the smallest but most media intensive nations on Earth

• Mobile Penetration	205% [1]
• Internet Users	51% [1]
• Fixed Broadband Penetration	69% [3]
• 2010 Advertising Spend	$ 950M [2]
• Internet users accessing via Mobile	51% [2]

The world leader in mobile phone uptake

Expected to be one of the fastest growing countries in GCC for ad Spend [3]

Sources
1 Arab Advisors (figure for end 2009)
2 Arab Advisors Survey of Internet Use and Online Advertising Effectiveness UAE and KSA. Combined Figure with KSA
3 Arab Media Outlook 2009 to 2013 Dubai Press Club/Value Partners

Egypt

Largest Mobile Market that will contribute most to digital Media Growth

• Mobile Penetration	79.5% [1]
• Internet users	8% [1]
• Fixed Broadband Penetration	7% [3]
• Internet Users Accessing via Mobile	40% [2]
• Advertising Spend	$789M [3]

Lowest Per minute Mobile Rates in the Region [1]

Sources
1 Arab Advisors (figure for end 2009)
2 Arab Advisors Survey of Internet Use and Advertising Effectiveness in Egypt
3 Arab Media Outlook 2009 to 2013 Dubai Press Club/Value Partners

Saudi Arabia

The Largest Economy in the region

• Mobile Penetration	179% [1]
• Internet Users	40% [1]
• Fixed Broadband Penetration	37% [2]
• Internet users accessing via Mobile	51% [3]
• 2010 Advertising Spend	$ 670M [2]

The second most competitive mobile market in the Region [4]

Sources
1 Arab Advisors
2 Arab Media Outlook 2009 to 2013 Dubai Press Club/Value Partners
3 Arab Advisors Survey of Internet Use and Online Advertising Effectiveness UAE & KSA – Combines Figure with UAE
4 Arab Advisors Competition Intensity Index

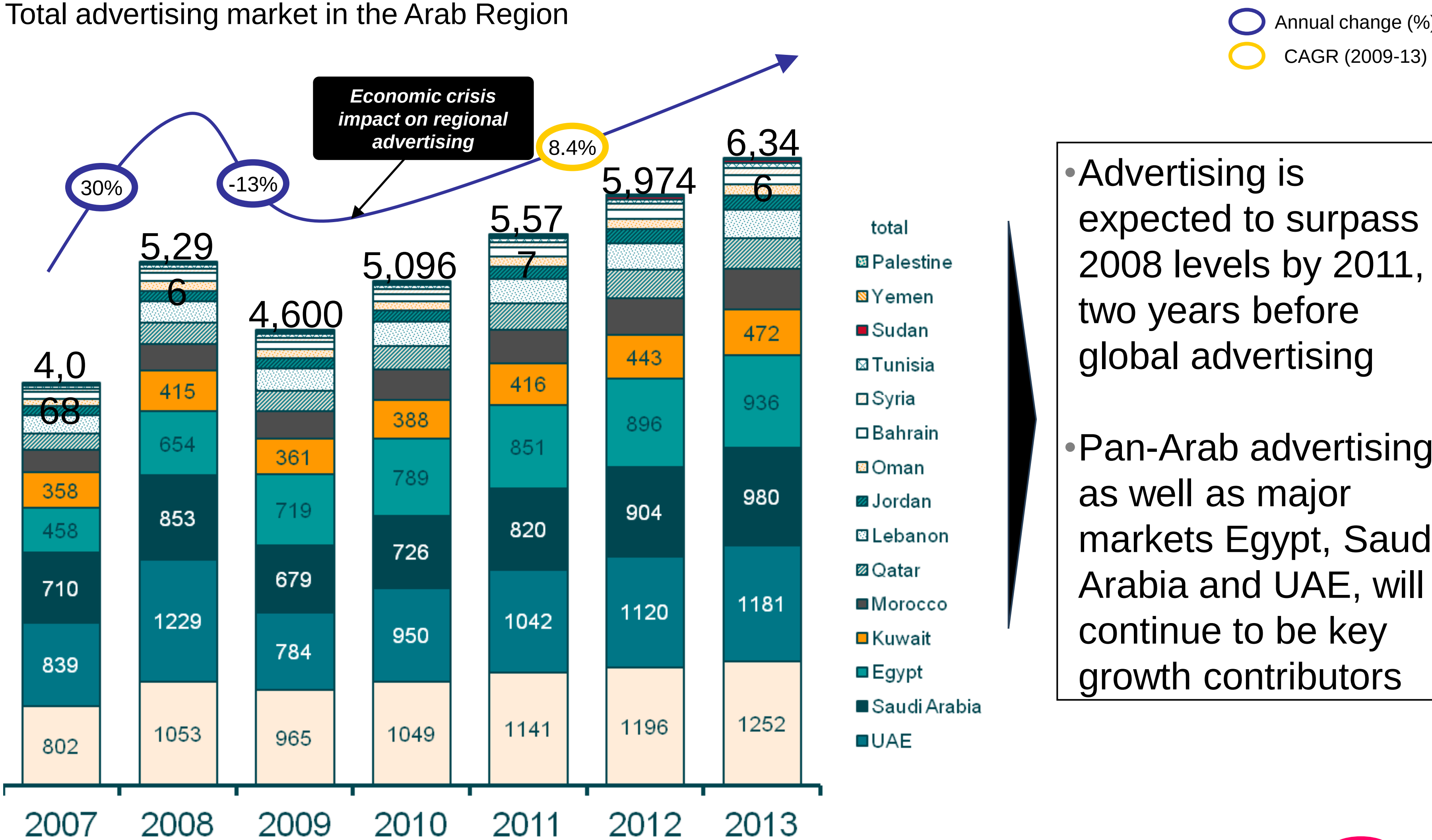
Regional Media Industry Trends

- Ad revenues low compared to other regions
- Shifts towards below the line and cross platform
- Digital Migration is at an early stage
  - Digital accounts for 1% of ad spend – $56M
  - Expected to grow to $266M by 2013
- Strong Prospects for Mobile Content

Source: Arab Media Outlook 2009 to 2013 Dubai Press Club/Value Partners

Regional Ad Spend Trend

Total advertising market in the Arab Region



- Advertising is expected to surpass 2008 levels by 2011, two years before global advertising
- Pan-Arab advertising, as well as major markets Egypt, Saudi Arabia and UAE, will continue to be key growth contributors

Source: ZenithOptimedia, Value Partners analysis

Mobile Operator Initiatives

Vodafone Egypt:

- Service Launched 2008
- Acquired Sarmady 2008 - now VE’s digital communications arm
- Multiple channel program: MMS, WAP Banner, SMS and Interactive Voice Response.
- Advertisers include BMW, P&G, Pepsi, Hyundai, Emaar, Nike, Adidas, Timberland

Zain Jordan:

- Launch late 2010
- Multi-format support expected: SMS, MMS, RBT, WAP, applications, etc.
- Expect to introduce incentivized opt-in advertising

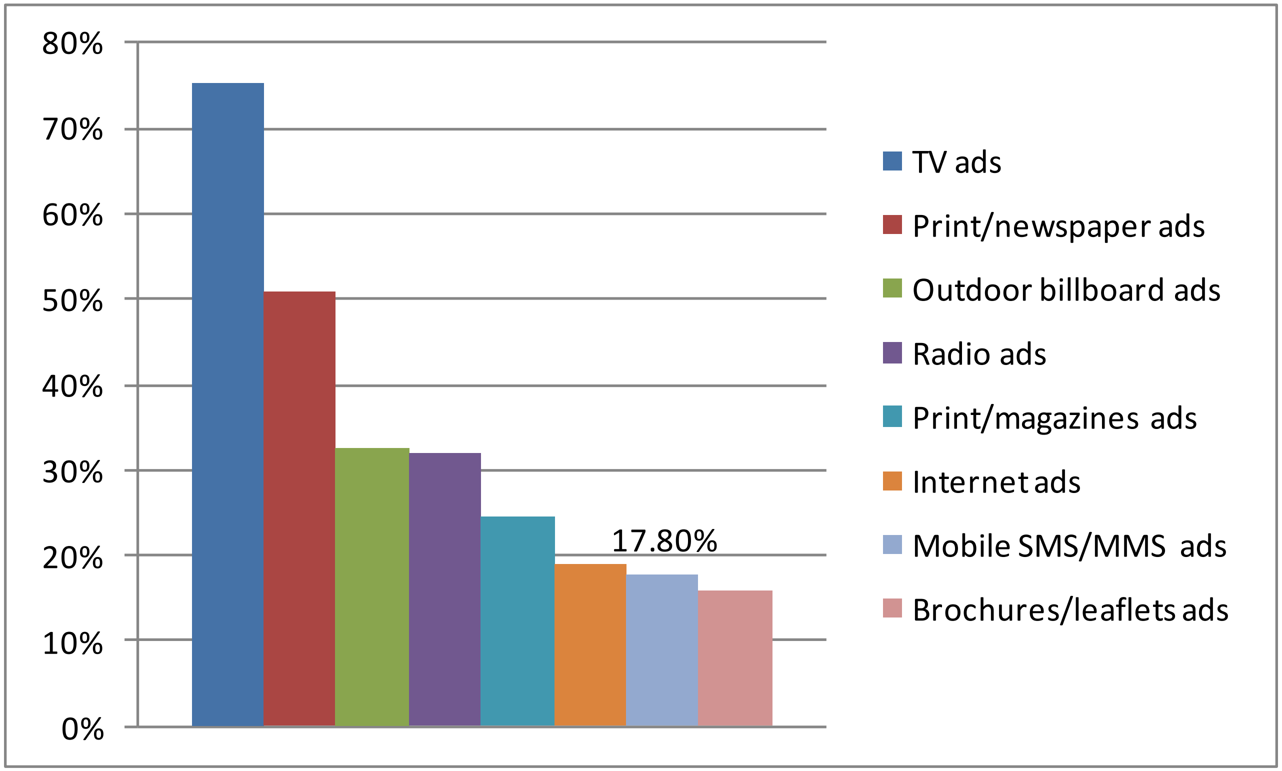
Others:

- Batelco
- Orange Egypt and Jordan
- Wataniya Kuwait

Some Numbers………

A Consumer View

What respondents think are the most effective types of ads (UAE)



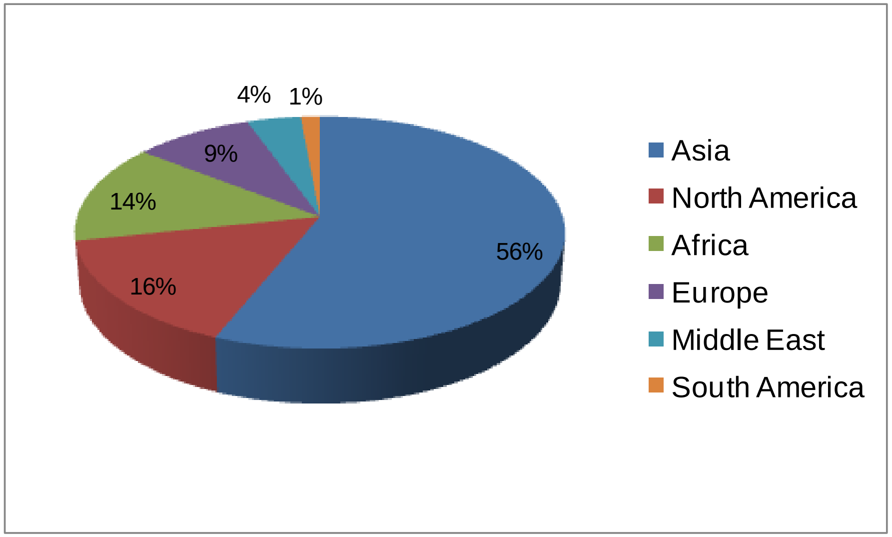
Source: Arab Advisors' UAE Media Survey of Internet Users 2009

Current Ad Volumes

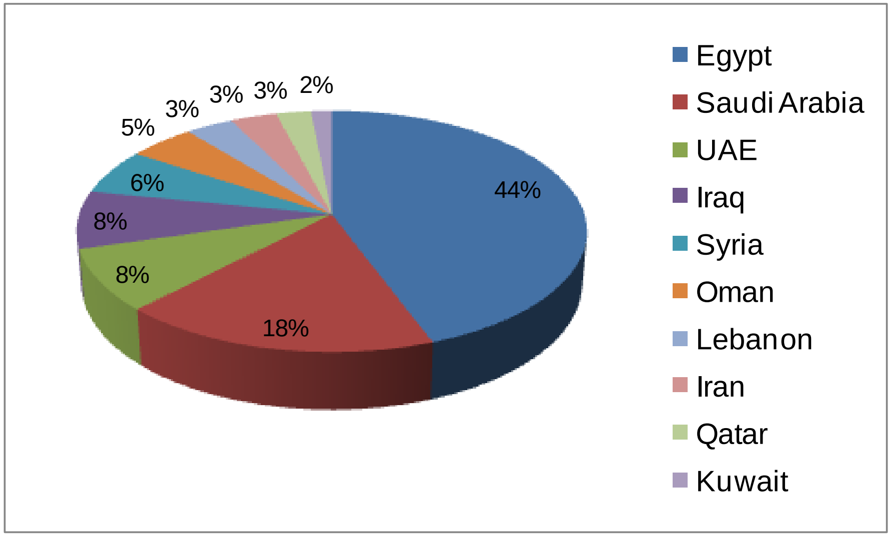
Display Ad requests from the Middle East on the InMobi Network grew by 33% between June and July 2010 to 779 Million

- But still represent a tiny proportion of the global total

Share of Global Display Impressions:



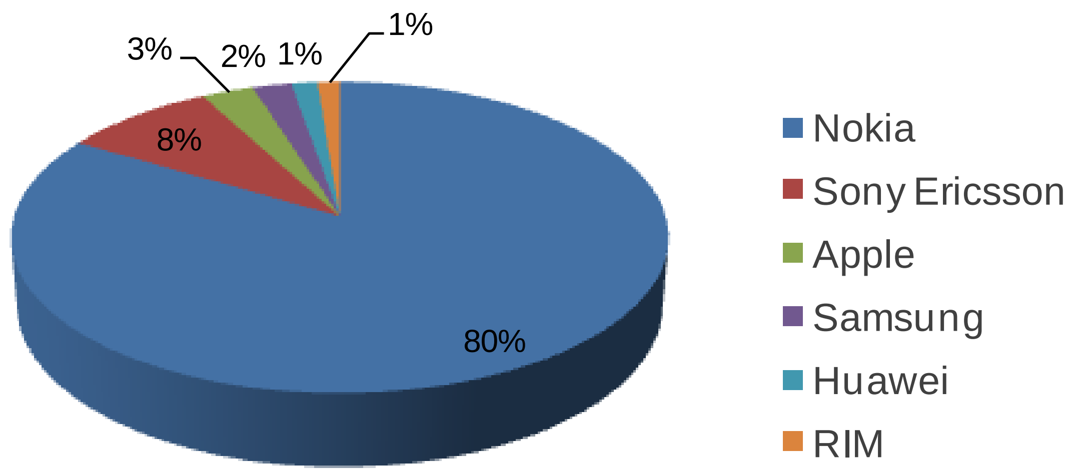
Share of Display Impressions by Country:



UAE is one of the top 10 regions generating traffic on the Amobee Mobile Ad Market Place

Source data: InMobi Global Ad Network Statistics July 2010
Compilation FirstPartner

…and Nokia Dominates



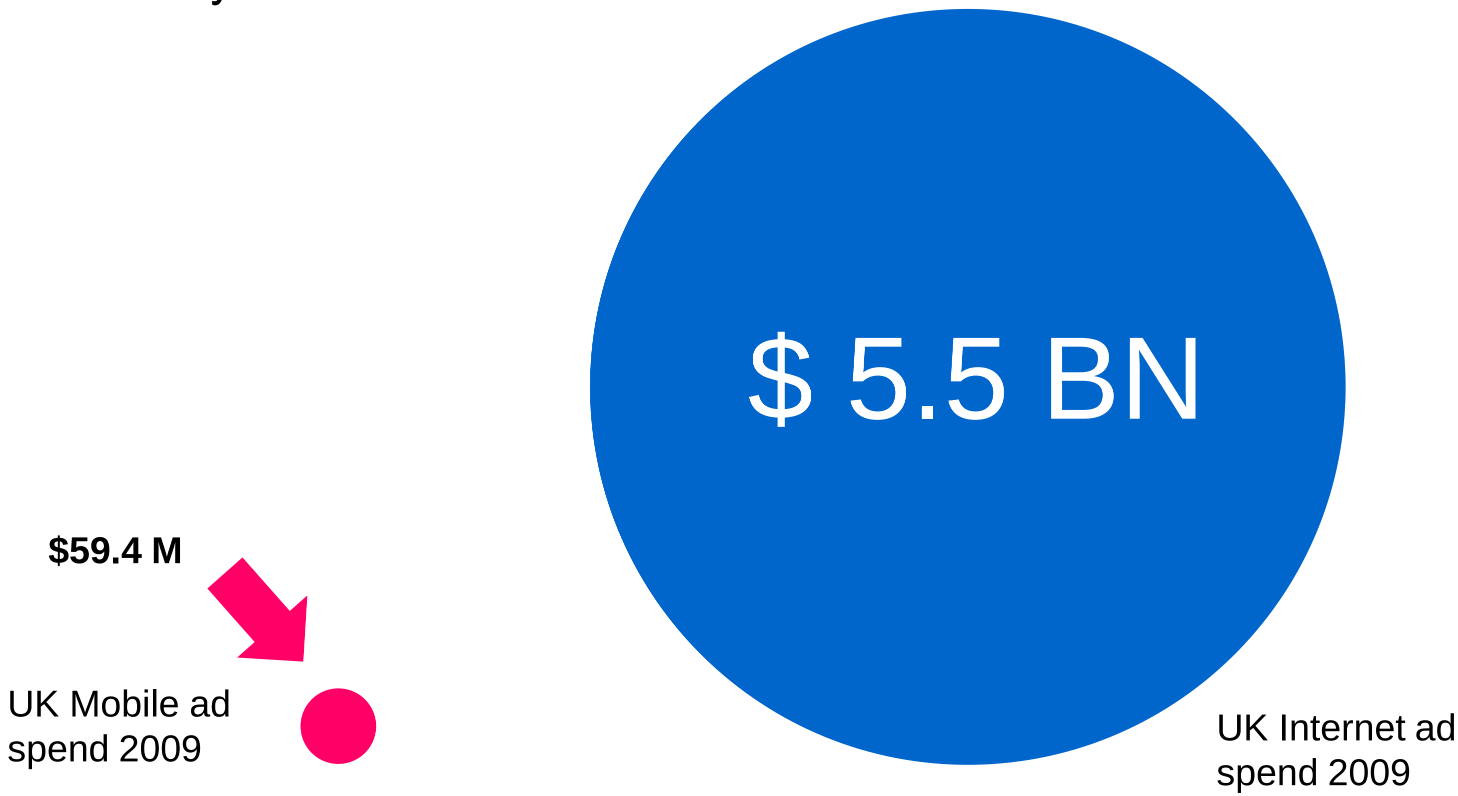
Ad requests by device manufacturer:
Middle East

- While Symbian and Nokia OS dominate…….
- ……Apple's share doubled June to July, RIMs grew slightly
- but Android doesn't yet figure

Source data: InMobi Global Ad Network Statistics July 2010

… and What About Revenues

The UK is the most established mobile ad market in Western Europe but revenues are still tiny……….



…However internet ad spend has grown 2200% over the last 10 years

Source IAB/ PwC

For Discussion

"The Middle East is best defined by pockets of amazing innovation in terms of mobile technology, emerging developer communities and rapid smartphone penetration, which is outpacing Asia and Africa.

Its young population (60% under 30) also creates a great climate for mobile advertising.

The only reason the Middle East is tertiary in our view is its limited scale and the scepticism among advertisers given the lacklustre performance of fixed web digital media in the region."

InMobi

A Global View of Mobile Advertising Report
July 2010 Report released Sept 8th 2010

Which countries offer the most potential ?

Getting Creative With Mobile

Marks and Spencer Case Study

An Integrated Campaign showing the benefits of opt-in

A Co-ordinated approach to Mobile

- 2008: First mobile campaign: back to school mobile web brochure with click to call ordering
- 2D barcodes and short code for product information
- Mobile CRM: loyalty customer alerts and exclusive offers:
- 700,000 opted in customers of which 80% provide preference data
- 2010 The UK's first high street transactional mobile web site:
    - 1.2M unique users & 13,000 orders since May
- Careful integration between the mobile and internet site and links to the physical store

The importance of the mobile site…

"For M&S the m-commerce site is all about getting product quickly and easily to consumers via mobile and paying for their product on their mobile device"

"Our aim is to integrate mobile as a channel to stand alongside web, phone and shops as part of 'Shop Your Way', to increase basket size and drive sales.

We've also incorporated a customer feedback facility to enable customer review's, we've also given consumers a choice of delivery method"

Sienne Veit, Social and Mobile Commerce Development Manager Marks & Spencer

Targeted CRM based marketing

- Effectiveness research undertaken in conjunction with DMA and IAB
  - a control / exposed effectiveness survey around part of a campaign, splitting out SMS and MMS
- Messages sent to members of M&S database
  - Almost 100% Recall of SMS and MMS messages
  - MMS increased prompted campaign awareness over SMS and control group
  - MMS prompted 150% increase in visit to mobile site
- Messages sent to members of Operator database
  - Message recall 21% for SMS 70% for MMS
- Consumers like MMS

Source IAB/DMA/Marks & Spencer

Some other points for good campaigns

- Be clear on Campaign message and objectives
- Select the Right Channel
  - Brand Building or Direct Response
  - Reach and targeting required
  - Integrate with other media
- Select agencies who understand mobile
- Be innovative
- Be personal
- Be useful
- Help people become brand advocates
- Learn from each campaign

For Discussion

How ready are agencies and brands to embrace mobile ?

Based on your experience, what types of campaign and format should work best ?

What should be done to stimulate creativity (and best practice)?

Mobile Advertising Accountability

Measurements and Metrics

The Measurement Paradox

- Mobile is the most measurable of advertising media

However

- One of the most common advertiser objections is lack of Metrics……

Metrics – why we need them and what we have got

Measures and Metrics are critical for:

- Planning and
- Campaign Evaluation

Standardisation and availability are crucial

But

- There are no accepted standards for mobile
- Metrics differ by format
- Providers differ by format
- This creates a confusing picture for brands and planners and is a barrier to adoption of mobile

What’s out there?

comScore

Google/AdMob

GSMA Mobile Media Metrics

Nielsen

Proprietary Platform Metrics

InMobi

Consumer Studies

Flurry

Distimo

GSMA Mobile Media Metrics (MMM)
An Example of Cross Industry Co-operation

Standardised metrics for mobile internet usage

GSMA Objectives

- Consistency and transparency in mobile measurement
- Common methodology ("what to measure")
- Common process ("how to measure")
- Leverage unique mobile assets to grow mobile advertising

MMM Goals

- Enable media owners to measure performance of their media properties
- Enable media planners to understand and quantify audience trends and behaviours
- Deliver trusted, independent, & audited metrics

MMM Principles

- Respect customer privacy at all times
- Build common currency in partnership with local industry
- Replicable process across multiple markets
- Operator alignment through GSMA

Source: GSMA Mobile Media Metrics

MMM Partners

Data Analysis

Audit

Industry validation

Promotion

Mobile Network Operators

MMM high level process flow

Input data	Anonymisation	Aggregation	Product development	Distribution
• URL log data supplied by MNO • All traffic carried over operator network	• Two-step anonymisation process • Persistent, unique ID	• Removes any non-relevant data • Classification of website traffic	• Combine operator data sets • Create core measures • Add third party demographics	• Integrate with other relevant databases/ tools • Subscription model proposed

Source: GSMA Mobile Media Metrics

MMM offers:

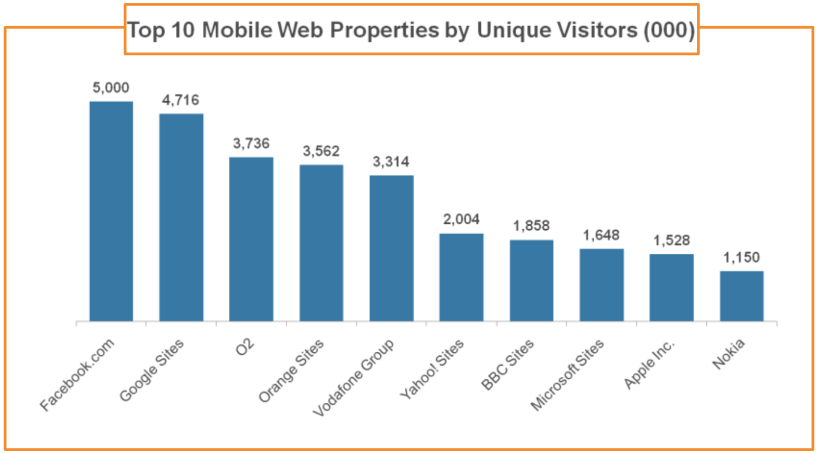
Coverage

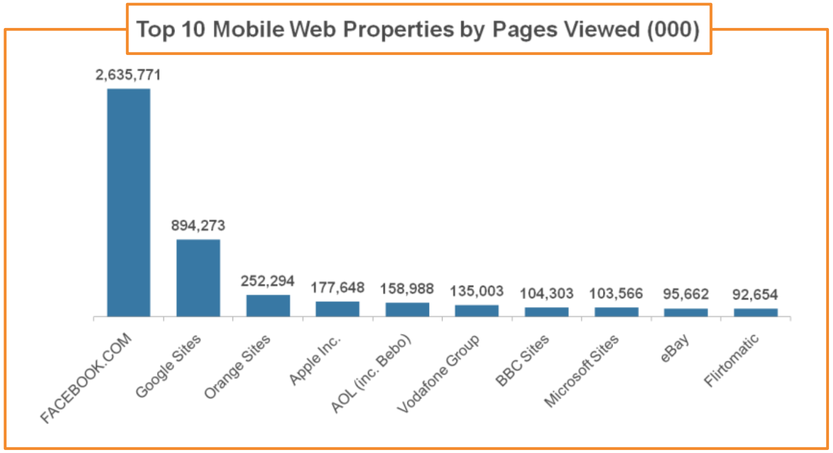
- Mobile handset access to:
  - Optimised websites
  - Standard Websites
- Via Mobile Networks
- Wi-Fi
- Page Views
- Unique Visitors

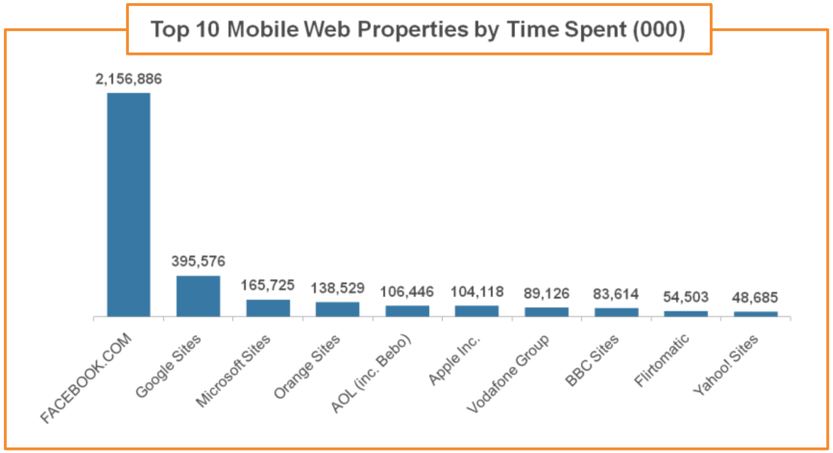
Products

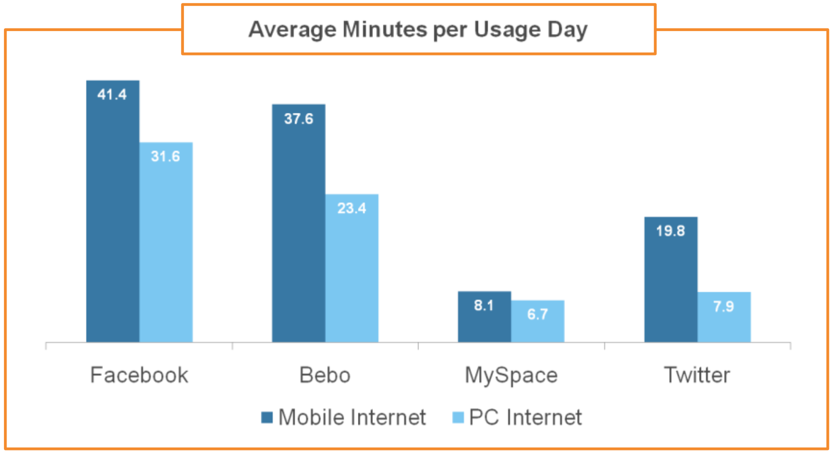
- Core Reports
  - Key Measures
  - Demographic Profile
  - Device Profile
  - Source/Loss
  - Cross Visiting
  - Audience Duplication
  - Media Trend & % Change Media Trend
  - Target Trend & % Change Target trend
- Reporting tools
- Can be coupled with demographic data

Example Data









Source: comScore GSMA MMM; comScore Media Metrix, December 2009

Points For Discussion:

What is the appetite for industry cooperation over Metrics ?

What can be done in the absence of an industry body?

Developing the Mobile Media Market: An Agenda for Discussion

Some Initiatives

- Market Education
- Best Practice
- Discussion
- Co-ordination

FirstPartner

Established in 2001, **First**Partner exists to help its clients define and implement marketing strategies that maximise revenue growth and return on marketing investment. Our activities span the end-to-end proposition development lifecycle, and we work for clients in the technology and telecom sectors and beyond.

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