

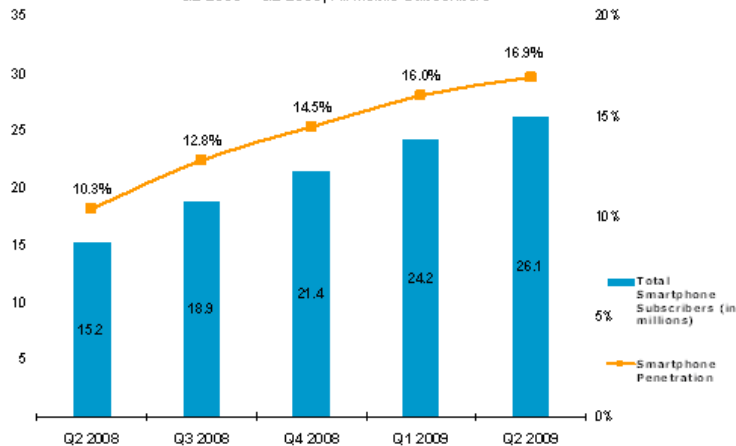


The Next Marketing Big Thing

MOBILE!

Smartphone Subscribers and Device Penetration

Q2 2008 – Q2 2009, All Mobile Subscribers



Source: The Nielsen Company

<http://www.mobilemarketingleadership.com>



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In English: You are a business person, I am a business person – you need to be responsible for your own marketing and actions online.



Mobile Marketing

What is Mobile Marketing?

The Mobile Marketing Association (MMA) updated its definition of Mobile Marketing in November 17, 2009 to expand its scope to:

“include current technologies and practices that enable organizations to communicate and engage with their audience through any mobile device or network”

The MMA currently defines Mobile Marketing as:

“a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network.”

In its [press release](#), the MMA pointed out that *“the crux of the new definition lies in two parts of its taxonomy”*, and they are as follows:



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1. *The “set of practices” includes “activities, institutions, processes, industry players, standards, advertising and media, direct response, promotions, relationship management, CRM, customer services, loyalty, social marketing, and all the many faces and facets of marketing.”*
2. *To “engage” means to “start relationships, acquire, generate activity, stimulate social interaction with organization and community members, [and] be present at time of consumers expressed need.” Furthermore, engagement can be initiated by the consumer (“Pull” in form of a click or response) or by the marketer (“Push”).*

The MMA previously defined Mobile Marketing as:

“The use of wireless media as an integrated content delivery and direct response vehicle within a cross-media or stand-alone marketing communications program.”

In the simplest of terms, mobile marketing is all about communicating and engaging with the consumer through mobile devices such as mobile phones. Some examples of mobile marketing vehicles are short message services (SMS), multimedia messaging service (MMS), unstructured supplementary service data (USSD), mobile internet, and mobile applications.



A Brief History of Mobile Marketing in the U.S.

American Idol teamed up with AT&T Wireless on its second season (January 21 to May 21, 2003) to enable the show's viewers to send in text-message votes through the use of short codes. And thus, AT&T became the first carrier in the U.S. to support cell phone voting for TV shows.

Throughout the season, 7.5 million text messages (including polls, sweepstake entries, trivia, and votes) were sent by AT&T Wireless customers making the campaign the single largest text-messaging event by a single carrier worldwide at the time.

According to AT&T Wireless, more than a third of the people who participated had never sent a text message prior to the American Idol event. Additionally, the number of text votes they have received increased by nearly 5,000% from the first voting episode to the last voting episode.

Andre Dahan, then president of AT&T Wireless Mobile Multimedia Services had this to say about the campaign's success:

"The country has embraced interactive text messaging with more fervor than anyone anticipated. Television viewers now expect to be part of the action -- and there's no turning back. The wireless phone has earned a permanent place alongside the television remote. Text



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messaging has proven to be the key that opens the door to increased viewer participation in reality television, and this is just the beginning of what we have planned for integrating text messaging into other non-conventional arenas.”

After the campaign, SMS's popularity in the U.S. went through the roof. According to a December 2004 article on [SearchWarp](#):

“Consider that in June 2001, only about 30,000 text messages were being sent monthly within the United States. Fast forward to June 2004-- nearly 2.8 billion messages were sent during that month, alone. This is testament to the fact that people are addicted to communication and that mobile data communication uptake is skyrocketing in America.”

By this time, the use of SMS has already blossomed as a marketing channel, with brands/marketers engaging with consumers through text-to-win, text-for-info and text-for-coupon campaigns. At the time, there were more than 180 million wireless subscribers in the U.S. and the number still continued to grow rapidly.

Among the earliest to understand the significance of using mobile as a marketing channel was The History Channel. In early 2004, it teamed up with Enpocket and ran a mobile campaign to build awareness and loyalty to a new TV program titled “The Barbarians”. The campaign involved sending a text



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message—a viewing reminder—to people, primarily 25 to 54 year-old men who have opted in for the “service”.

The History Channel's campaign proved to be so successful that it decided to promote two more of its later series through the same channel, using a combination of viewing reminders, contests and interactive game play, all through SMS.

McDonald's (SoCal) followed suit. In the second quarter of 2005, the McDonald's Operators' Association of Southern California, in partnership with Gamut Industries LLC (a San Francisco mobile marketing company) launched a month-long promotion where customers received a redeemable coupon for a free “McFlurry” dessert by sending a text message (McFlurry) to 73260.

(Image from [Fortumoblog](#).)



Fast forward to 2008—SMS usage continued to grow at a rapid pace, overtaking mobile phone calling in the process.



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According to the [Nielsen Wire](#):

“During the second quarter of 2008, a typical U.S. mobile subscriber placed or received 204 phone calls each month. In comparison, the average mobile customer sent or received 357 text messages per month — a 450% increase over the number of text messages circulated monthly during the same period in 2006.”

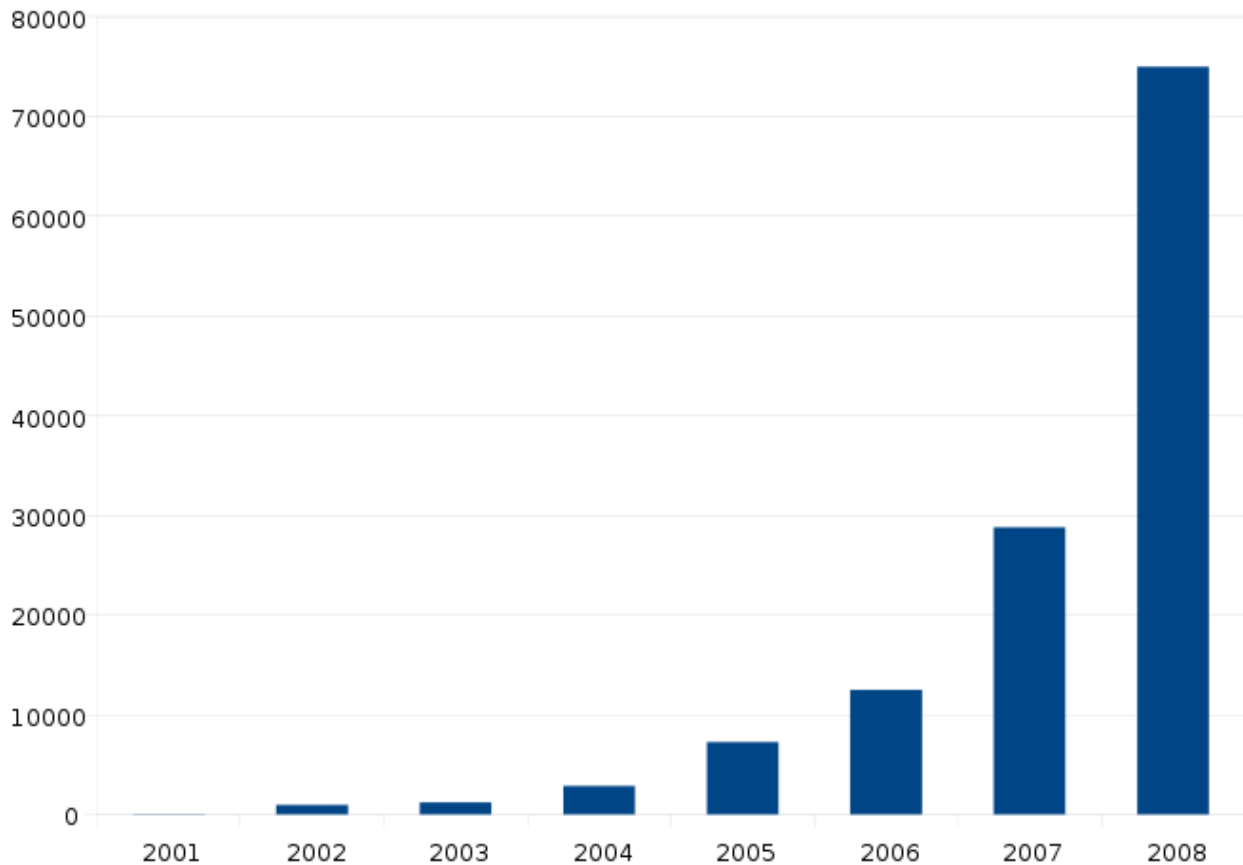
Time Period	Average Number of Monthly Calls*	Average Number of Monthly Text Messages*
Qtr 1, 2006	198	65
Qtr 2, 2006	216	79
Qtr 3, 2006	221	85
Qtr 4, 2006	213	108
Qtr 1, 2007	208	129
Qtr 2, 2007	228	172
Qtr 3, 2007	226	193
Qtr 4, 2007	213	218
Qtr 1, 2008	207	288
Qtr 2, 2008	204	357

Source: The Nielsen Company (January 1, 2006 to June 30, 2008)

*Note: Data includes U.S. wireless subscribers only.



SMS messages sent monthly in USA (million)



By this time, a lot of marketing people were claiming that THAT was the year of mobile. Actually, they've been saying that since the previous year but, quite unfortunately, it didn't turn out the way that many people thought it would.

Jason Steinberg, media director at [Spark Communications](#), explains why in his December 10, 2009 article titled "[Will 2010 Be the Real Year of Mobile?](#)" Steinberg says that one of the reasons why mobile advertising was lagging behind the robust predictions in 2007 and 2008 (as well as in 2009) is that "*there are too*



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many platforms, too many browsers, and too many markup languages to make mobile marketing easily scalable.”

Steinberg explains:

“It starts with the operating systems; we have RIM, Microsoft, Apple, Palm, Symbian, Danger, and the new darling, Android. Next, factor in the browsers; there's Safari, Opera, Fennec, the native OS browsers for RIM, Android, Windows, and then another 15 or so lesser known ones. Add to that the various markup languages, the myriad of devices, and the variety of specifications for each -- it's enough to make a mobile developer weep.”

Other issues Steinberg cited include the lack of planning tools and infrastructure, as well as the lack of audience in the mobile realm to market to. According to Steinberg:

“Sixty-eight percent of mobile subscribers never visit the Internet on their mobile device. As digital marketers, our best option to connect with this majority of the mobile market is SMS -- not exactly the most engaging format. This gets alarming when compounded with the fact that 35 percent of mobile users never text either.”



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So, will 2010 be THE year of mobile? Steinberg thinks it just might, saying:

“Mobile devices are ubiquitous and ever evolving. All the above problems are actively being addressed.

“If mobile is employed smartly, it can be a real performer on a media plan. Nothing else allows marketers to close the loop between consumer action and out-of-home advertising, provide location-based messaging, or engagement on the go. And if a consumer invites your brand into their life via a branded app, that's worth all the hassles and more.

“There's no question that mobile marketing will play an increasingly important role in the overall marketing mix. Video consumption, searching in transit, and social networking will all become staples of the mobile experience. Advertisers will continue to follow.

“If ever there was a cutting-edge medium bursting with potential for a forward thinking brand to play in, mobile is it. And the rules haven't yet been written.”



Why Go Mobile?

Consider these:

- According to a survey conducted in 2006 (“Wireless Works” by BBO and Proximity), 63% of the respondents said they would not share their phone with anyone.
- According to a research conducted by Morgan Stanley in 2007, 91% of mobile phone owners keep their phone within a meter from them 24 hours a day. The mobile phone is perhaps the most important thing to have on one's person next to his/her wallet and keys.
- Mobile phones are always kept on... except when one runs out of batteries.
- All mobile phones have a built in payment mechanism, you're probably more familiar with it as the SIM card. Also, billing can easily be handled through the user's mobile network. Moreover, there are services that turn a mobile phone into a virtual wallet.
- Since people carry their mobile phones with them for most of, if not all the time, and considering that most mobile phones today are built in with features that allow for creative self-expressions (e.g., camera and touch screen), they can be used as tools for responding to consumer-generated content-based campaigns. All the consumer needs is a little “push” to participate.



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- Since all transactions made on mobile phones can be uniquely tracked to the mobile phone numbers they originated from, mobile phones can very well provide marketers with the ability to track and measure advertising and marketing campaigns. For the same reason, mobile phones enable marketers to do sophisticated data mining to identify patterns that indicate information and preferences of mobile phone users.

So far, so good. Now, let's let the numbers do the talking, shall we?

According to an [Experian study](#) conducted in mid-2008 (analyzed and reported by Ellen A. Romer SVP, Strategic Planning), 2.7 billion mobile phones were in use all over the world at the time. That figure makes up about 70% of the entire world's population. Seven years earlier, in 2001, only 13% of the world's population owned/carried a mobile phone.

For comparison, there were 850 million personal computers, 1.3 billion fixed landline phones, and 1.5 billion TV sets at the time.

The Experian report also noted that by the first quarter of 2006, thirty countries had already exceeded 100% per capita cell phone usage. In that same year, roughly 80% of the U.S. population were mobile phone users. That's made up of about 241 million people. However, Experian does not expect the U.S. market to top 100% per capita penetration until 2013.



The report also included the Simmons New Media Study from April 2008 which compared the usage of different mobile functions among consumers in the U.S. They are as follows:

Mobile Phone Activity in the Last 30 Days	
Phone Activity	% Users Engaged
Text messaging	59
Downloaded ring tones	17
Taken photos	49
Taken videos	13
Downloaded music	7
Played video games	14
Accessed Internet	19
Accessed GPS position	5
Streamed video	3
E-mailed	20
Shopped	2
Banked	6

The report mentioned that about two-thirds of mobile phone users are actively using SMS, meaning roughly 1.8 billion people were actively texting at the time. Other points mentioned by the report include the following:



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- there are twice as many active users of SMS globally as there are active users of email
- roughly 300 billion text messages were sent in the U.S. in 2007
- SMS is typically read within an average of 15 minutes after receipt and responded to within 60 minutes
- 65% of e-mail is spam, only less than 10% of SMS is spam
- 19% of texters say that they use text messaging as a means of communication between themselves and colleagues
- 62% say they use text messaging to communicate with friends
- 55% say they use it to communicate with their significant others

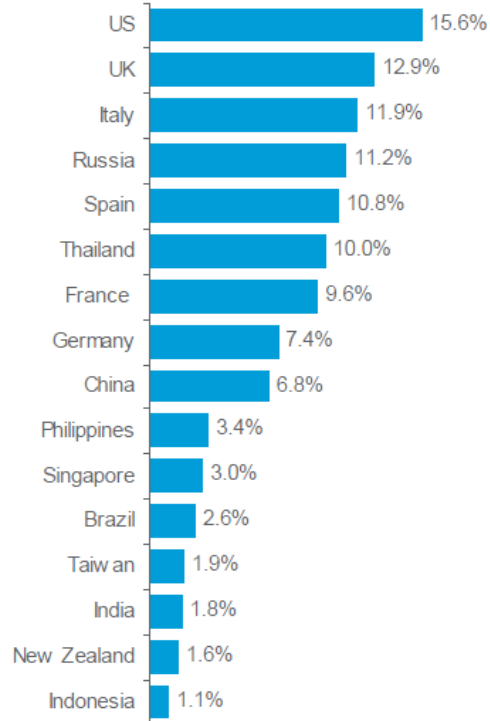
Just a few months after Experian released its report, Nielsen came out with [its own](#) (on September 18, 2008) where the firm indicated that 60% of mobile internet users were likely to accept mobile advertising.

The report contained information about mobile Internet usage penetration across sixteen measured countries in the first quarter of that year, with the U.S. and U.K. In the top two slots.



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Chart 1.
Mobile Internet Usage Penetration Across
Sixteen Measured Countries (Q1 2008)

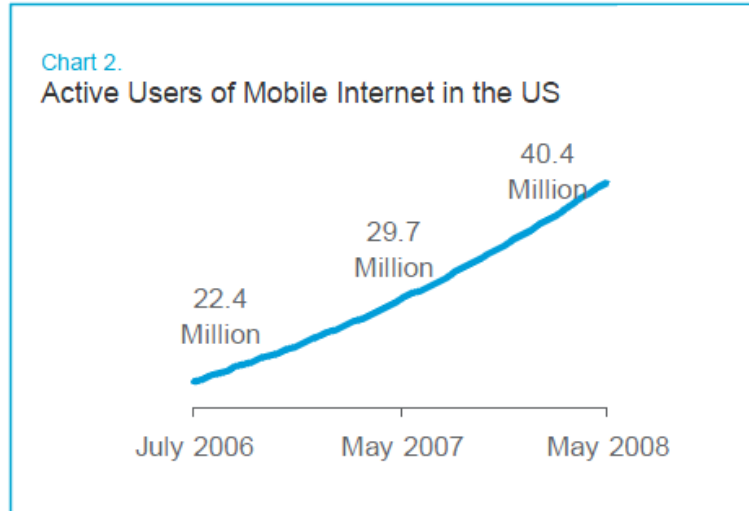


Source: Nielsen Mobile

It also showed a year-to-year comparison of the number of active mobile Internet users in the US from 2006 to 2008.



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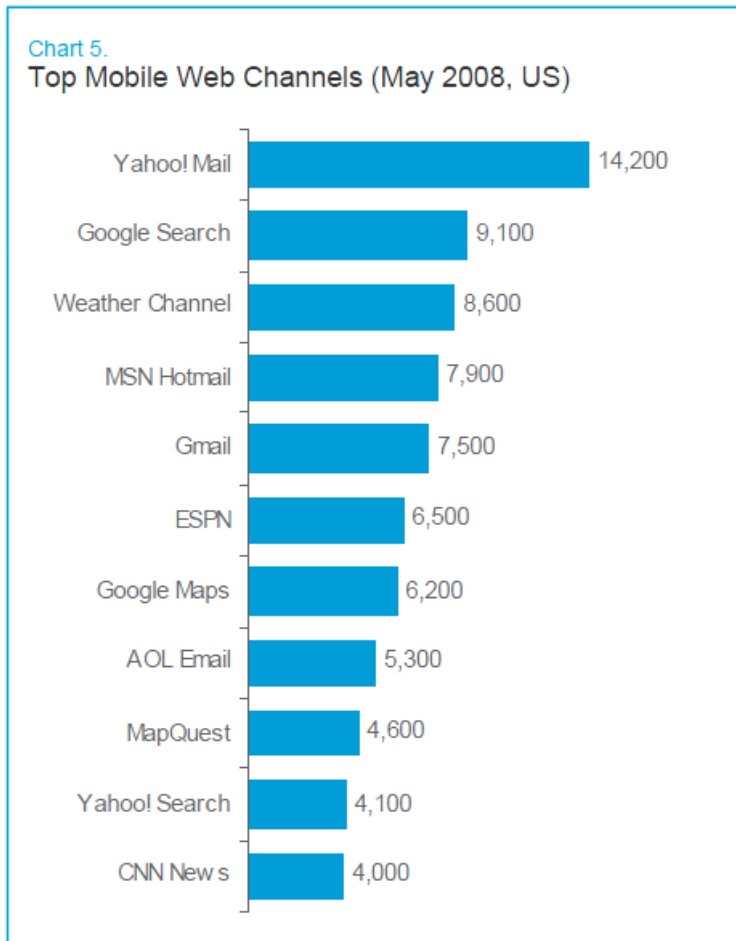


Source: Nielsen Mobile

Additionally, it showed the top mobile Web channels in the U.S. in May 2008.



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Source: Nielsen Mobile

Some of the key points contained in the Nielsen report are the following:

- according to CTIA, the wireless industry trade group, there were 254 million US mobile subscribers in the first quarter of 2008
- according to Nielsen, 144 million (57%) US mobile subscribers were “data users” in the first quarter of 2008 (“data users” are defined as



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those subscribers who used their phone for any data use, be that SMS text messaging or accessing the mobile Internet)

- 95 million or 37 percent of all US mobile subscribers paid for access to the mobile Internet, either as part of a subscription or transactionally
- 40 million subscribers (15.6 percent in May 2008) were active users of mobile Internet services, using those services at least once on a monthly basis
- Mobile Internet use accounted for \$1.7 billion in revenue in the first quarter of 2008 (2007 saw a total of \$5 billion in mobile Internet use revenue)

According to [BIA/Kelsey](#), in early 2009, there were 54.5 million mobile Internet users in the United States, representing 25 percent of online users.

Neal Polachek, chief executive officer of The Kelsey Group, has this to say about the trends:

“The trend lines for usage, revenue and application development indicate a turning point that compels us to devote more resources and deepen our coverage of this market segment. Our MLM practice will focus on mobile as a critical and key driver in the overall transformation of the advertising industry.”



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In a press release dated February 24, 2009, BIA/Kelsey predicted that mobile local search ad revenues in the U.S. will grow to \$1.3 billion by 2013, from \$20 million in 2008, representing a compound annual growth rate (CAGR) of 130.5 percent. During the same period, mobile search and display advertising revenues is predicted to grow to \$3.1 billion in 2013, from \$160 million in 2008, representing a compound annual growth rate of 81.2 percent.

Additionally, BIA/Kelsey also predicts that mobile local searches will make up for 35% of all searches in 2013, up from 28% in 2008.



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U.S. Mobile Search Ad Revenues: Local



Source: The Kelsey Group (2009)

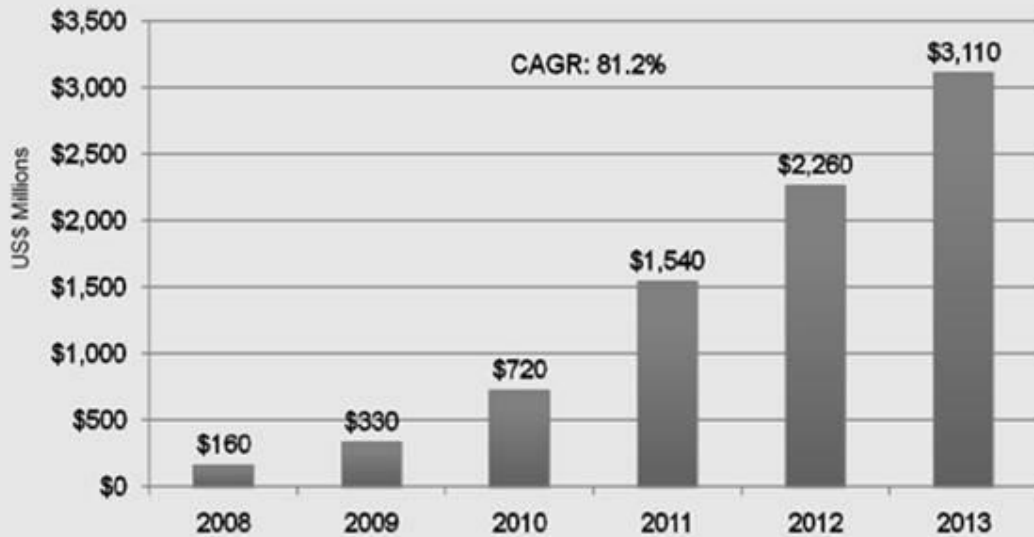
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U.S. Mobile Ad Revenues 2008 – 2013



Source: The Ketcher Group (2009)

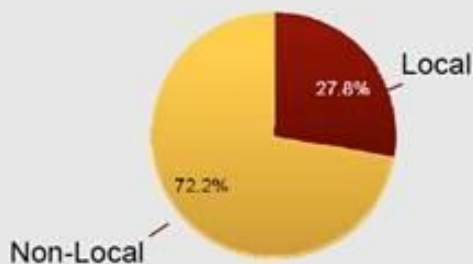
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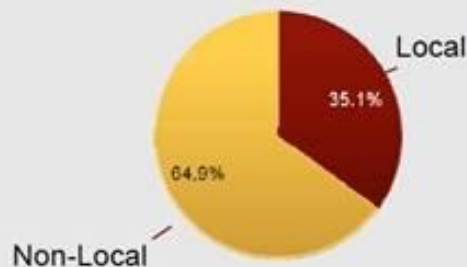


U.S. Local Share of Mobile Search: Revenue and Search Volume

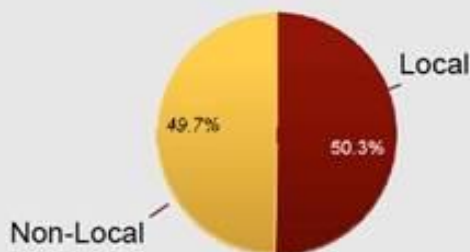
Searches 2008



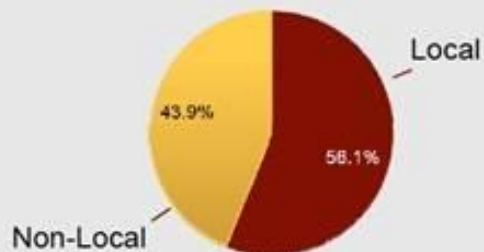
Searches 2013



Revenue 2008



Revenue 2013



Source: The Kelsey Group (2009)

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“As mobile data consumption rises, we expect local marketing to be a big winner,” said Michael Boland, program director, Mobile Local Media (MLM), The Kelsey Group.

“There is a strong correlation between local search and the mobile use case, which will cause a good portion of the ongoing mobile application boom to focus on local.”



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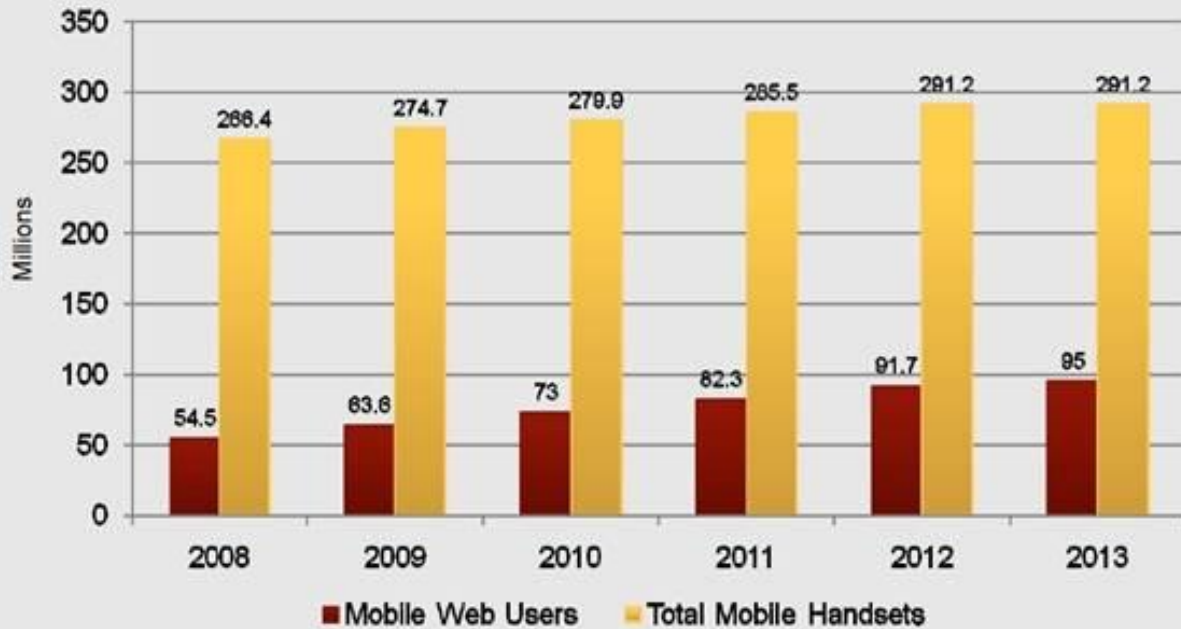
The BIA/Kelsey report pointed out the following:

- The number of mobile web users will reach 95 million by 2013
- There were 54.5 million mobile internet users in the US at the time, representing 25% of online users
- Approximately 15% of iPhone applications are local.



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U.S. Mobile Web Growth



Source: The Kelsey Group (2009)

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According to a [report released by comScore](#) on March 16, 2009, accessing the mobile Web is becoming a daily activity for more and more people in the U.S.

According to comScore:

“Among the audience of 63.2 million people who accessed news and information on their mobile devices in January 2009, 22.4 million (35 percent) did so daily; more than double the size of the audience last year.”



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Accessed News and Information^a by Frequency of Access			
Three-month Average Ending January 2008 and January 2009			
U.S. Mobile Phone Users			
comScore, Inc.			
	Unique Users (000s)		
Frequency of Mobile Internet Access	Jan-08	Jan-09	% Change
Daily	10,821	22,369	107
Weekly	10,312	19,283	87
Ever in the month	36,870	63,182	71

In the same report, comScore indicated that the fastest growing site categories in the mobile web include news & information, social networking sites or blog, stocks trading and finance, movie information, business directories, and entertainment news.



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	Unique Users (000)		
	Daily Unique Users Jan-08	Daily Unique Users Jan-09	% Change
Accessed News and Information (any)	10,821	22,369	107
Accessed social networking site or blog	1,761	9,278	427
Traded stocks or accessed financial account	1,135	3,274	188
Accessed movie information	1,077	3,072	185
Accessed business directories	939	2,447	161
Accessed entertainment news	2,104	5,470	160

In November 2009, research firm eMarketer released a report titled [“Mobile Social Networks: Marketing by Location Shows Potential”](#) showing the table below.



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Mobile Phone Subscribers, Internet Users and Social Network Users Worldwide, 2008-2014 (millions and % penetration)

	2008	2009	2010	2011	2012	2013	2014
Mobile phone subscribers*	4,000.0 (1)	4,600.0 (1)	4,900.0	5,200.0	5,400.0	5,600.0	5,700.0
Mobile internet users	400.0	505.0	657.2	860.4	1,135.0	1,412.7	1,689.0
Mobile social network users	76.0	141.4	223.4	318.3	454.0	607.5	760.1
Mobile social network users % of mobile phone subscribers	1.9%	3.1%	4.6%	6.1%	8.4%	10.8%	13.3%
Mobile social network users % of mobile Internet users	19.0%	28.0%	34.0%	37.0%	40.0%	43.0%	45.0%

Note: as of December for each year; *refers to the number of active subscriptions

Source: eMarketer, November 2009; (1) International Telecommunication Union (ITU), October 6, 2009

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www.eMarketer.com

According to eMarketer:

“The biggest near-term opportunities will come from location-aware applications, services and offers, which provide value in the form of contextual relevance and which are increasingly popular among smartphone owners.”

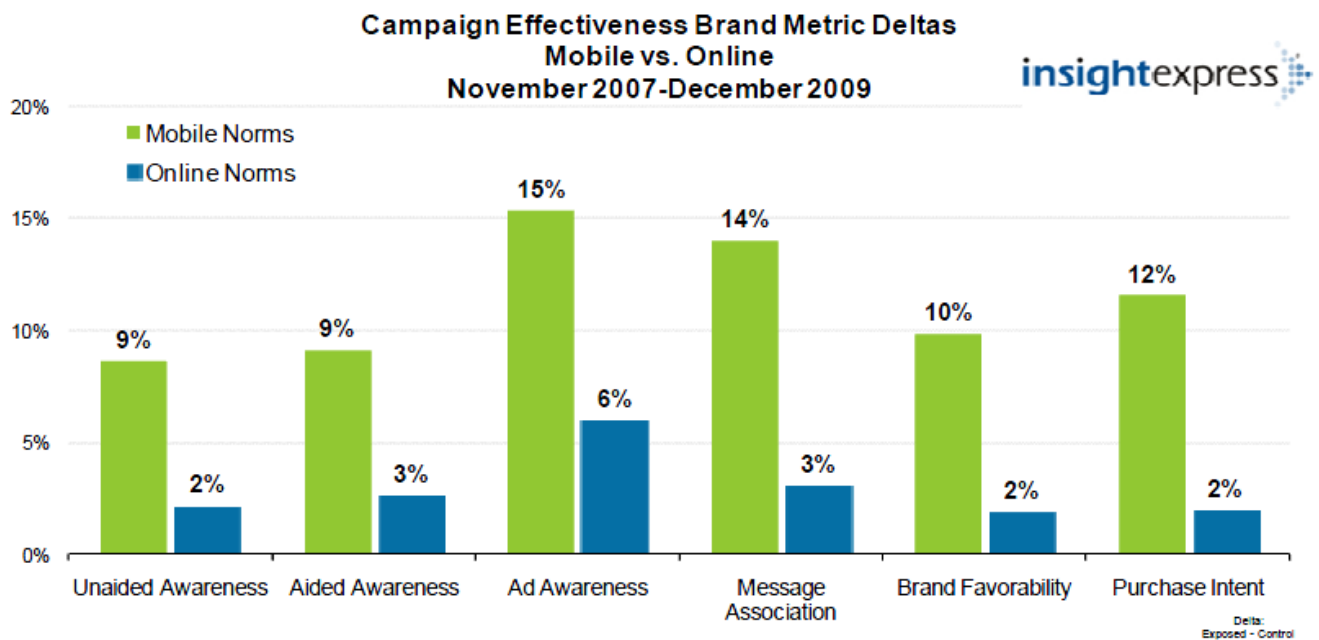
On February 4, 2010, InsightExpress, a leading digital marketing research firm, released the [results](#) of its [Mobile InsightNorms](#) study conducted during the fourth quarter of 2009. The report included a comparison of mobile media types and verticals.

The firm's findings indicated that mobile campaign norms were 4.5 to 5 times higher than online norms against measures of unaided awareness, aided



awareness, ad awareness, message association, brand favorability and purchase intent.

Benchmarked to the impact of online advertising, these findings continue to show the power of mobile as an advertising channel



The study also found that among the three different mobile media types (Mobile Internet, SMS and Mobile video), Mobile Internet is currently the most effective. As InsightExpress's press release puts it:

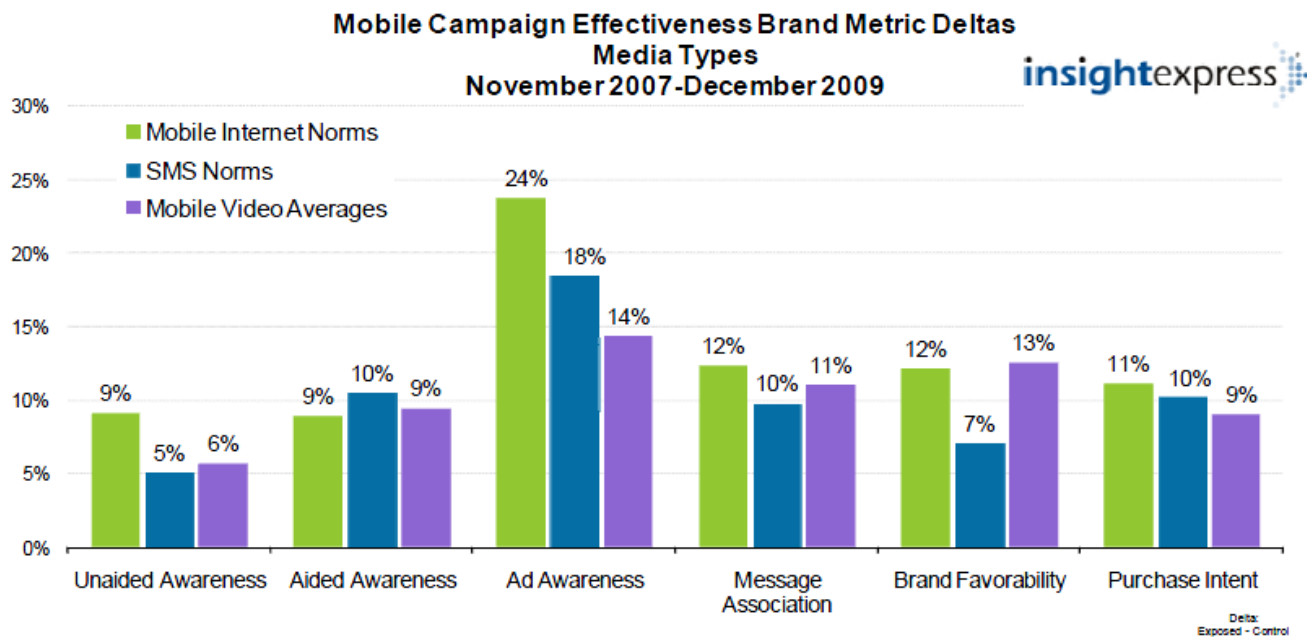
“Mobile Internet campaigns resulted in increases of 9 percentage points for unaided awareness, 9 percentage points for aided awareness and 24 percentage points for ad awareness. SMS is also



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effective at increasing upper level purchase funnel metrics such as awareness measures. SMS campaigns generated increases of 5 percentage points for unaided awareness, 10 percentage points for aided awareness and 18 percentage points for ad awareness.”

A comparison of three different mobile media types (Mobile Internet, SMS and Mobile video) revealed that Mobile Internet is the current powerhouse.



Furthermore, the study also examined mobile brand metric norms by vertical (CPG, Entertainment, Automotive, Travel, Technology and Retail), comparing mobile norms to online norms. The findings are as follows:

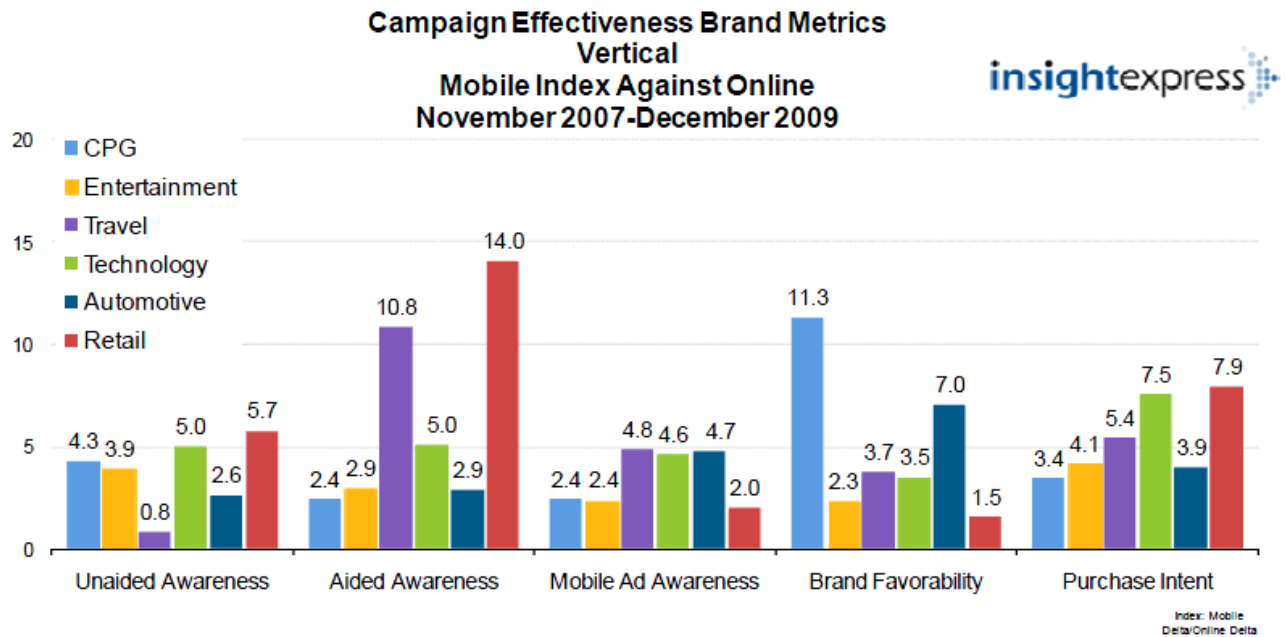


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- Mobile CPG Purchase Intent effect is 3 times higher than online CPG Purchase Intent
- Mobile Entertainment Purchase Intent effect is 4 times higher than online Entertainment Intent
- Mobile Travel Purchase Intent effect is 5 times higher than online Travel Purchase Intent
- Mobile Technology Purchase Intent effect is 7 times higher than online Technology Purchase Intent
- Mobile Automotive Purchase Intent effect is 4 times higher than online Automotive Purchase Intent
- Mobile Retail Purchase Intent effect is 8 times higher than online Retail Purchase Intent



Once again comparing mobile norms to online norms, different verticals were compared.



On February 2, 2010, the Nielsen Company released its [rankings](#) of the top 10 mobile sites and brands for December 2009. According to the firm, mobile Internet traffic in during that time was similar to total Internet use, in that the largest audiences were seen for search, e-mail and social networking respectively.



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Top 10 Mobile Sites: December 2009

RANK	Site	Unique Audience (000)
Total		62,023
1	Google Search	27,913
2	Yahoo! Mail	23,240
3	Facebook	18,832
4	Gmail	17,594
5	Weather Channel	13,836
6	MSN/Hotmail	11,043
7	ESPN	10,728
8	Google Maps	10,143
9	Yahoo! Homepage	9,752
10	AOL Email	7,272

Source: The Nielsen Company

Top 10 Mobile Brands: December 2009

RANK	Site	Unique Audience (000)
Total		62,023
1	Google	36,688
2	Yahoo!	33,661
3	MSN/Windows Live/Bing	20,189
4	Facebook	18,832
5	AOL Media Network	17,319
6	Weather Channel	13,836
7	CNN	12,334
8	ESPN	11,075
9	FOX Interactive	6,434
10	Verizon	7,272

Source: The Nielsen Company

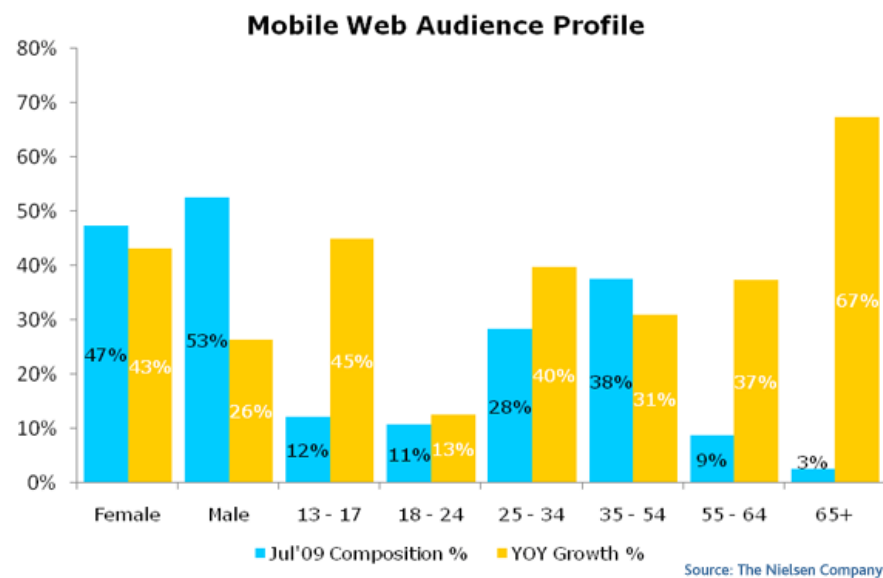
Earlier, in September 2009, the Nielsen Company released a [report](#) which showed that the mobile Web spike was fueled by women, teens, and seniors. The report indicated that people using a mobile device to access the Web increased by 34 percent year-over-year—from 42.5 million mobile Web



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visitors in July 2008 to 56.9 million in July 2009. The firm noted that although men still made up a larger (53%) portion of mobile Web users compared to women, the growth in number of female visitors outpaced the growth of that of male visitors during that month, with women increasing 43% year-over-year as compared to a 26% growth among men.

Additionally, the firm found that, overall, the year-over-year growth among the 13-17 and 65+ age groups outpaced the growth of the total mobile Web audience, with a youth increase of 45 percent and seniors surging upwards 67 percent in that month.



“As with other forms of Internet technology, more men were early-adopters of the mobile Web and still make up a slightly larger presence today,” commented Chris Quick, client services manager, mobile media. *“Now that the technology*



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is more mainstream, women are quickly embracing the benefits as ‘connected consumers,’ tapping the convenience of Web access on mobile phones to network, browse the latest shopping deals and get ideas for dinner, all while on the go.”

The Nielsen report also contained information on the interests of both genders based on the sites they visited through mobile means. According to the report, mobile Web usage by women traversed a variety of subjects and actions during that month which included online shopping and social networking.

Top 10 Mobile Web Sites Among Women Ranked by Audience Composition % in July 2009, U.S.				
RANK	Site	% Unique Audience Composition	Composition Index By Unique Audience	Unique Audience (000)
1	People	68	143	1,146
2	AT&T Search	68	142	564
3	Horoscope.com	66	138	558
4	Target	63	133	678
5	MySpace.com	58	121	4,116
6	Kraft Foods	58	121	438
7	T-Mobile	56	118	1,522
8	AOL Search	56	119	747
9	Facebook	55	117	8,171
10	Sprint News	55	116	630

Source: The Nielsen Company

Men’s mobile Web interests, on the other hand, centered on news, sports and online games.



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Top 10 Mobile Web Sites Among Men Ranked by Audience Composition % in July 2009, U.S.

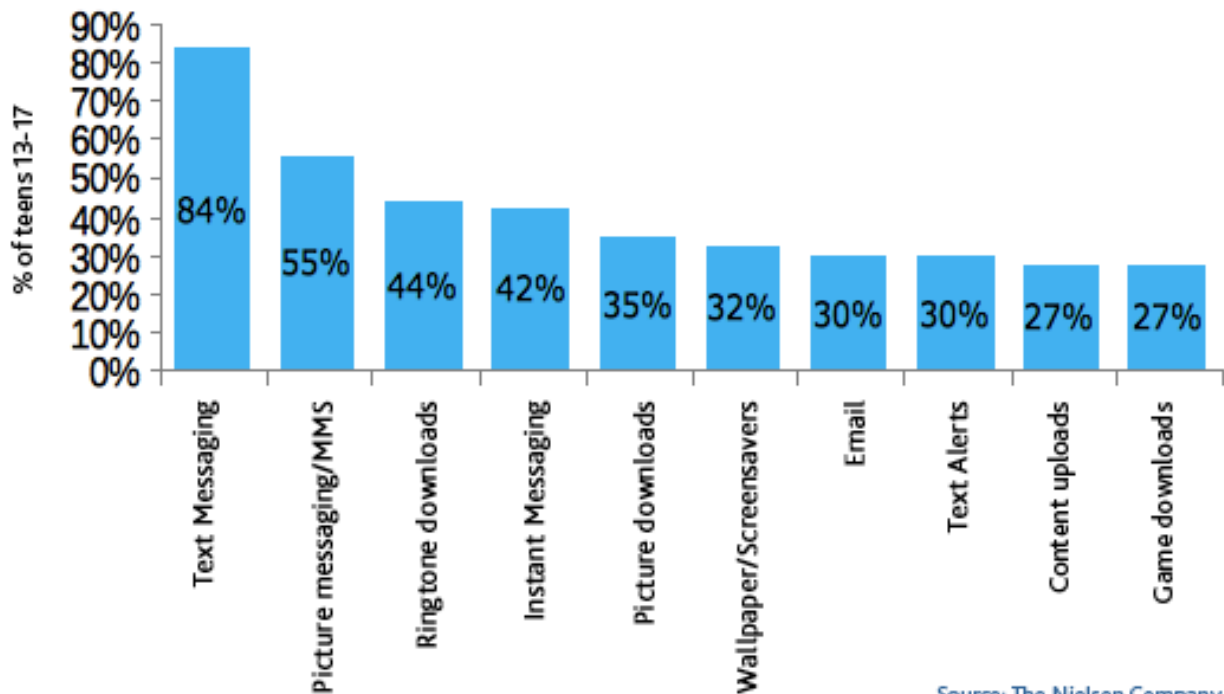
RANK	Site	% Unique Audience Composition	Composition Index By Unique Audience	Unique Audience (000)
1	Gizmodo	95	180	626
2	Maxim	94	179	566
3	NBA	91	172	1,214
4	IGN	91	173	916
5	NFL	89	168	1,819
6	Drudge Report	89	168	626
7	Business Week	88	167	536
8	CNET	86	162	1,759
9	CBS Sports	86	163	1,162
10	Wired	86	162	523

Source: The Nielsen Company

As for teens, their usage of mobile phones focused heavily on sending and receiving text messages. In the second quarter of 2009, the top-ranked mobile activity for teens was messaging, with 84 percent of teens sending a text message (SMS) and 55 percent of teens sending a picture message (MMS).



Top 10 Mobile Media Usage Among Teens



Also in September 2009, the Nielsen Company released another [report](#), one that focused on the rise of smartphone adoption and the opportunities it presents to marketers. According to the report:

“We have seen that the mobile industry is on a fast-track, with massive growth in mobile marketing, advertising and paid-content for users. But what is really leading this growth is the increase in quality devices and fast, affordable data. While smartphone ownership was once just a business tool, more consumers than ever are using smartphones in their everyday lives. In the past year alone,

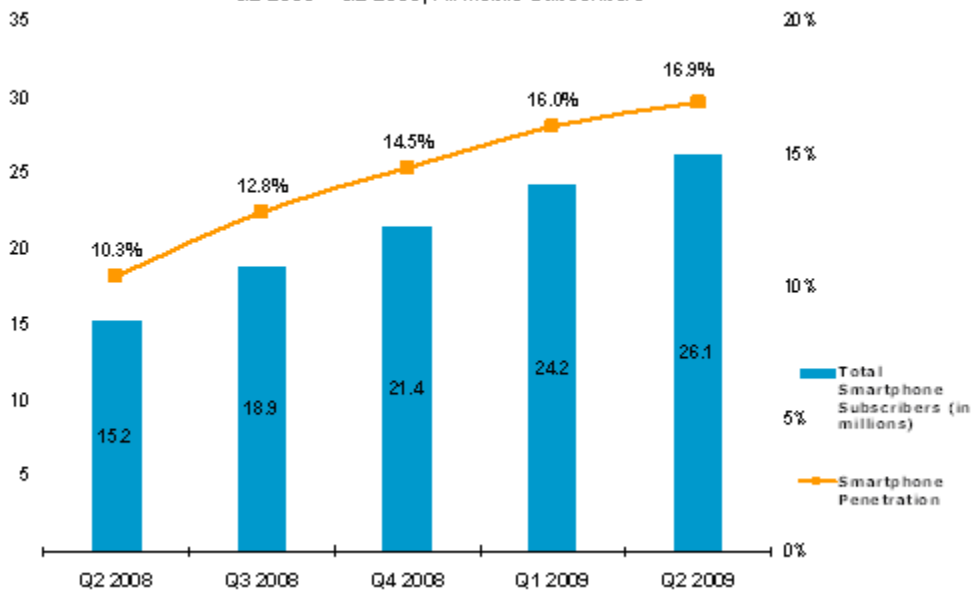


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the total number of smartphone subscribers increased 72% quarter-over-quarter, growing from 15 million subscribers in Q2 2008 to 26 million in Q2 2009. While the penetration level of smartphone users is still fairly low – nearly 17% in Q2 2009 – they make up half of the mobile Web audience.”

Smartphone Subscribers and Device Penetration

Q2 2008 – Q2 2009, All Mobile Subscribers



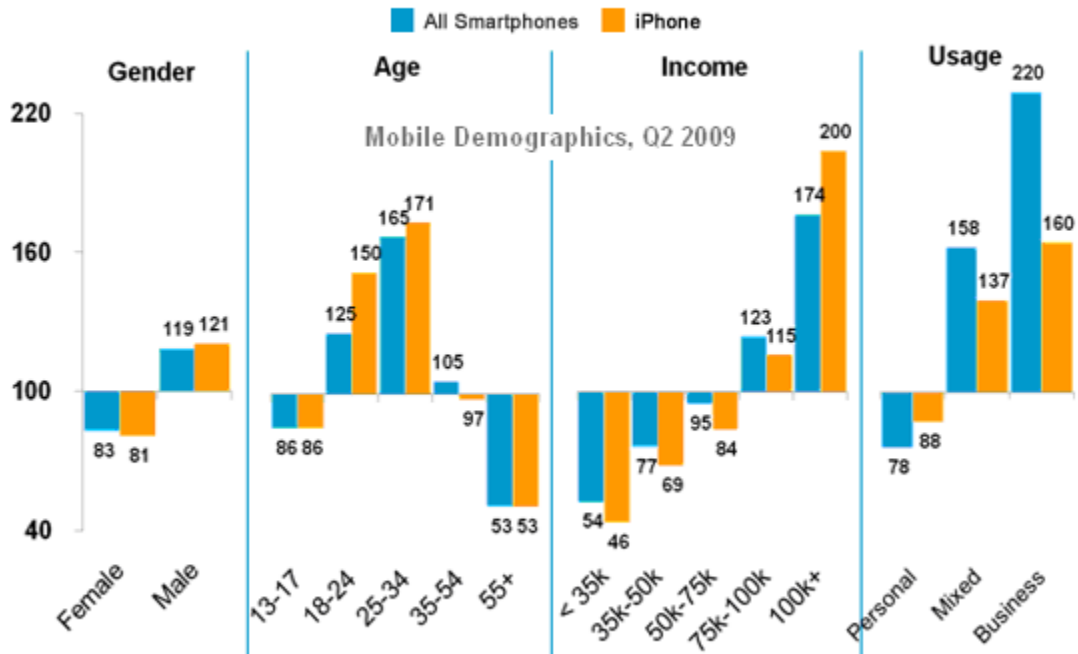
Source: The Nielsen Company

The report also contained information on the demographics relating to smartphone ownership.



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Mobile Demographics (Q2 2009)



Source: The Nielsen Company

According to a Nielsen Wire article titled [“Global Mobile – Strategies for Growth”](#) (Jon Stewart and Chris Quick, October 6, 2009):

“...the mobile media landscape has flourished into a full-blown marketplace for advertising, rich media content, ecommerce and unparalleled utility—bringing about one of the biggest changes in the media and advertising business in a generation.”

Included in the article is a chart showing which mobile applications were most popular in the 14 countries that were studied by Nielsen in the first quarter of



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2009. The table showed that SMS, MMS, and Internet were (respectively) the three most popular mobile data applications in most of the countries that were studied.

Mobile Data Applications Used in Past 30 Days

Media Activity	USA	Canada	Mexico	UK	Spain	Italy	Germany
SMS/Text Msg	58%	51%	89%	77%	76%	79%	62%
MMS/Picture Msg	28%	15%	8%	23%	24%	26%	14%
Internet	20%	19%	7%	17%	11%	11%	9%
Ringtone DL	17%	20%	10%	6%	9%	8%	5%
Software/App DL	13%	12%	3%	6%	7%	6%	4%
Game DL	10%	13%	7%	7%	9%	6%	4%
LBS/GPS	10%	8%	2%	5%	6%	6%	4%
Content Uploads	10%	11%	1%	4%	7%	8%	3%
Video/Mobile TV	6%	5%	<1%	3%	3%	4%	2%

Media Activity	France	Brazil	Russia	India	China	Turkey	South Africa
SMS/Text Msg	71%	67%	80%	48%	80%	67%	73%
MMS/Picture Msg	24%	3%	17%	1%	25%	5%	18%
Internet	13%	3%	12%	1%	27%	3%	13%
Ringtone DL	9%	4%	11%	5%	28%	1%	11%
Software/App DL	5%	1%	5%	1%	23%	1%	4%
Game DL	7%	1%	6%	1%	12%	1%	7%
LBS/GPS	5%	1%	2%	<1%	6%	<1%	3%
Content Uploads	5%	<1%	3%	<1%	4%	<1%	3%
Video/Mobile TV	5%	1%	2%	1%	4%	1%	2%

Source: The Nielsen Company, Global Device Insights Report, Q1 2009



According to the article:

“Among the many applications available on mobile devices, the fastest-growing segment in the U.S. was web video, which expanded by 33% to 20 million subscribers/15.2 million unique users, followed by multimedia messaging which jumped 29% representing 174 million subscribers/68 million unique users, and audio/application/game downloads which increased by 25% to 71 million subscribers and 39 million/27 million/23 million unique users per respective download.”

Also...

“Roughly 16% of consumers responded to mobile ads most frequently via text message, a picture or MMS message, email or by visiting a designated web site.

“Teenagers were the most accepting of mobile advertising—the acceptance rate declines as age increases. Perceptions of mobile ads were highest among all age groups if it lowered their bill. Consumers age 45+ were the least accepting of mobile ads. The Yankee Group forecasts mobile ad revenues could see faster growth than online, predicting a 60% jump in 2009 to \$184 million. By 2013, that amount could reach in \$566 million range.”



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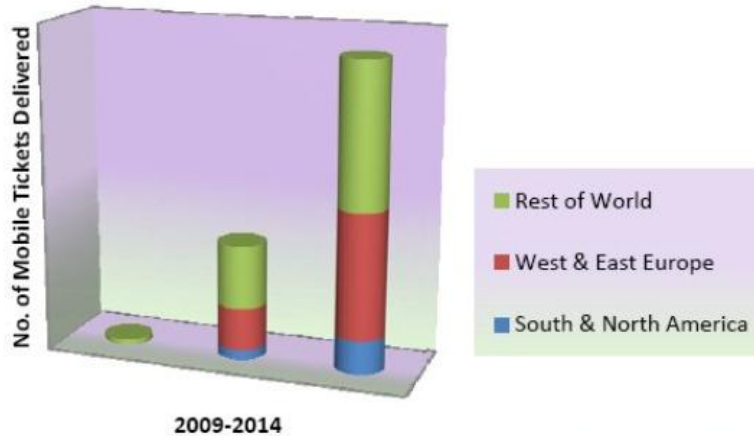
In closing, Stewart and Quick advises those who are looking to drive sales to leverage mobile marketing activities such as providing product information, coupons, discounts, event notification, and mobile search.

In February 2010, Juniper Research released a [report](#) which indicated that the transport sector is currently the one who's leading the way to going mobile with SMS, bar code and app-based services offered by rail and metro providers and airlines.

In the report, Juniper predicts that nearly 15 billion tickets are going to be delivered to mobile devices worldwide by 2014, compared to just more than two billion in the current year.



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But, according to report author Howard Wilcox, the potential of mobile ticketing does not stop there. Major cinema chains, concert organizers and sports teams are latching on to the commercial viability, which is driven by both cost savings and the up-sell revenue potential and, not to mention, convenience for the user. There are also new entrants from a variety of angles such as apps start-ups and mobile commerce providers seeking to grasp the opportunities they can see.

In January 2010, eMarketer released the [findings of a study](#) conducted during the third quarter of 2009 to determine the spending threshold among smartphone users. According to the report, nearly two-fifths of smartphone owners reported having bought something non-mobile over their mobile phone in the previous six months, though many reported getting frustrated with the functionality of mobile sites. Additionally, the top shopping-related smartphone activities are still research-based.



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Shopping-Related Smartphone Activities* of US Smartphone Owners, Q3 2009 (% of respondents)

Look up shipping information of an item that I may purchase online

68%

Look up the address or store hours of a store I would like to visit

68%

Review a product description

52%

Look at third-party or consumer reviews of a product while in a store

45%

Check the status of an order that I originally placed online

43%

Look for retailer or product coupons

43%

Check to see if an item is available for in-store pickup

40%

Check the price of an item while in a store, to make sure it's a good deal

36%

Make a purchase after seeing the product in a store

34%

Make a purchase on my smartphone, product wasn't available in the store

28%

Make purchase on my smartphone without seeing the product in store

28%

Check the status of a rebate I recently submitted

24%

*Note: *done while shopping and away from their computer
Source: Compete, "Q3 2009 Smartphone Intelligence Survey" as cited in press release, January 4, 2010*

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www.eMarketer.com

The report also pointed out that among smartphone users, Android users were the most willing to spend the most via mobile, followed by iPhone owners.



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Amount that US Smartphone Owners Are Willing to Spend on Products Bought via M-Commerce, by Phone Type, Q3 2009 (% of respondents)

	Android (n=52)	Windows (n=335)	iPhone (n=631)	BlackBerry (n=713)	Palm (n=160)
<\$10.00	40%	50%	28%	51%	55%
\$10.01-\$25.00	10%	11%	10%	11%	11%
\$25.01-\$50.00	6%	10%	14%	10%	7%
\$50.01-\$75.00	3%	5%	6%	6%	4%
\$75.01-\$100.00	9%	10%	12%	8%	10%
\$100.01-\$250.00	3%	6%	11%	7%	4%
\$250.01-\$500.00	18%	5%	9%	5%	4%
\$500.01+	11%	4%	9%	2%	5%

*Note: numbers may not add up to 100% due to rounding
Source: Compete, "Q3 2009 Smartphone Intelligence Survey" as cited in
press release, January 4, 2010*

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The Mobile Web

Considering that mobile web sites can be viewed on traditional (computer-based) browsers and that traditional (non-mobile) sites can be viewed on mobile browsers, especially if accessed with a smartphone. It may seem pointless to create both if you already have one of any of those. But, if you have all the needed resources, creating both mobile and traditional sites (with corresponding re-directs) is definitely the best way to go, despite the difficulties that mobile Web development presents.



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The mobile Web is still very much in its infancy and, as such, it still lacks formalized standards. For one, creating content (including images, text, etc.) that can be correctly formatted on most phones is still not entirely possible.

What complicates matters even more are the mobile devices for which they are intended. Take these, for example:

- Most handsets only have a basic alphanumeric keyboard and no mouse function, making basic scrolling and typing difficult for the user;
- Screen sizes vary from one phone model to another and the different browsers used in the phones can see the same site in a different way. This alone makes mobile Web development a tricky task; and
- There exist many different types of connections to the mobile Web and service providers around the world, complicating things even more.

The good news is, the World Wide Web Consortium (WC3) have now turned their attention towards better mobile website coding and structuring with a mobile Web initiative known as Mobile Web Best Practices 1.0.



Generally Accepted Mobile Web Standards

- Make sure mobile users are directed to the mobile version of your site
- Use the W3C XML validator to ensure that your site's markup is valid and error free
- Keep your site's size small and avoid frames and table at all times
- Make your URLs easy to remember
- Make sure that the images on your site resize automatically to fit the phone model
- Always use compressed image formats (gif and jpg)
- Avoid excessive navigation or menus
- Do not use pop-ups and keep scrolling to only one direction
- Make sure to submit your sitemap to Google
- Avoid using Flash
- Make sure that the colors and fonts you use are widely supported

Mobile PPC

As you may already know, Pay Per Click (PPC) advertising is a great way to run an effective advertising campaign at a low cost. Well, the same goes for PPC in the mobile arena. PPC advertising, being flexible and functional, has great potential for return on investment (ROI).

Google AdWords, the most popular platform for conventional PPC management, is also available for mobile. Marketers need only to opt-in if



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they'd like their ads to appear on the mobile content network and displayed on mobile websites. However, the issue with Google is its many rules which marketers are forced to swallow like a jagged pill.

The good thing is, there's a whole basket of mobile ad networks out there for marketers to choose from. Some examples of mobile ad networks are AdMob, BuzzCity, and InMobi.

Advantages of Mobile PPC

- It is very cost effective
- It provides users with the relevant response
- It provides both marketers and consumers with the convenience of click-to-call (also known as Pay Per Call)
- It makes for convenient reporting and performance analysis
- It is priced, displayed and structured like traditional PPC
- Popular keywords may be less competitive and cheaper through mobile PPC
- It enables marketers to target by network provider and other geo-targeting methods



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Tactics for Reaching a Mobile Audience on the Mobile Web

Mobile URL – Mobile URLs are either a subdomain of the website's URL (e.g., m.website.com or mobile.website.com) or a mobile specific Top-Level Domain (TLD) e.g., website.mobi.

2D Barcodes - Several technologies exist in the world of 2D Barcodes. Some of the better known are the QR Code and the Semacode. 2D barcodes and 2D barcode reading software allows users to take a picture a 2D barcode with their mobile phone camera and be taken to a mobile webpage without typing in a single character. A sample of a QR code is shown below.



Common Short Codes - These are 4 or 5 digit numbers with which users can perform advanced functions at premium or even shared rates. They can be used to subscribe to services, request a download, enter a competition or cast a vote.

Device Detection - Device detection capabilities are embedded into the programming code of a web site. Device detection enables the web site to detect the device being used to request content and serve the most appropriate version.



Geo-Targeting - Geo-Targeting is the method of determining the physical location of a website visitor and delivering content to that visitor based on his or her location.

Mobile Marketing Best Practices

Best practices, in general, are a set of techniques or methodologies that have been proven through experience and research to lead to desirable result(s). Best practices help ensure a level playing field for all players and a consistently positive experience for consumers. They are the keys to success not just in the mobile marketing industry but in all industries.

On May 24, 2005, the MMA, in cooperation with the Cellular Telecommunications & Internet Association (CTIA), released the first version of its Best Practices Guidelines for Cross-Carrier Mobile Content Services. The guidelines were written by a committee comprised of all the five Tier 1 wireless carriers along with leading aggregators and content providers.

The guidelines are a compilation of accepted industry practices and wireless carrier policies and is based on regulatory guidance given to representative members of the off-network ecosystem. The guidelines have been integrated into carrier contractual agreements with aggregators and content providers and are enforced by all players in the industry. As such, the Best Practices



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Guidelines are definitely a must know for everybody in the world of mobile marketing.

The guidelines cover the five major areas of mobile content services, namely: advertising and promotion, opt-in, opt-out, subscription services, help for consumers. Additionally, it also includes a glossary of standard terms and abbreviations.

According to the MMA press release, the Best Practices Guidelines were:

“created to give consumers the highest standard of privacy and control over content delivered to their mobile phone and add efficiencies and standards for brands, advertisers and carriers that hasten their ability to meet growing consumer demand for fast, easy-to-use mobile content and branded services.”

The latest version of the guidelines is obtainable from the [MMA's website](#).



BONUS REPORT: Google Buzz for Mobile

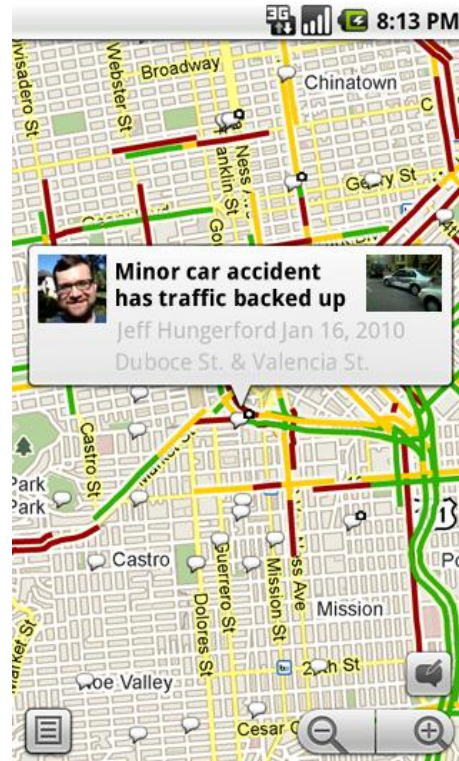
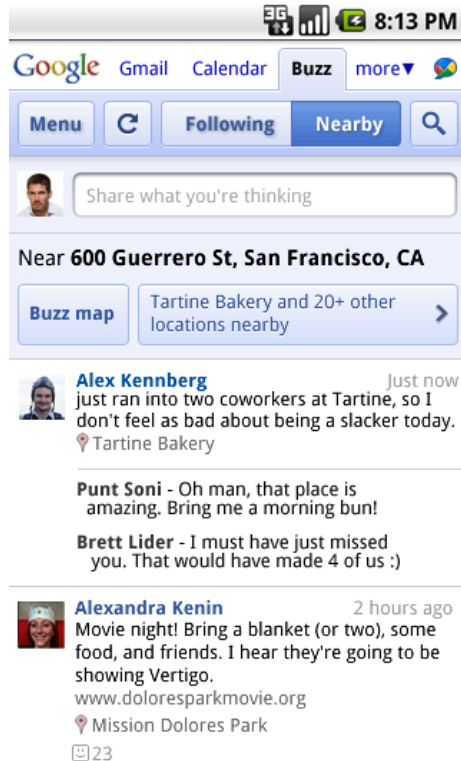
On February 9, 2010, Google announced that it's going to bring some serious location-based integration to its services, and they're all centered around the new Buzz social networking tool that has been built into Gmail.

Google Buzz, by the way, enables users to easily and quickly start or join in conversations with their friends/contacts and share web links, photos, and videos among each other.

Instead of creating a mobile version of Buzz, Google took advantage of the capability of mobile phones to provide location-related information and built the mobile version of Buzz around that.



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Google Buzz for mobile enables users to post updates (known as buzz) and stay in touch with their friends whenever they're away from their computer. But what's really special about Buzz for mobile is that it uses the user's location to identify the places around him/her. Once identified, the places can then be used by the user either to geotag his/her buzz post or to read what other people have posted about a particular place. And, take note, Buzz is able to identify locations based on their actual place names (and not lat/long coordinates) and then take context-aware actions depending on where the user might be.



Google Voice Lets Users Send SMS to Multiple Recipients

Five at a time, actually. To prevent spam.

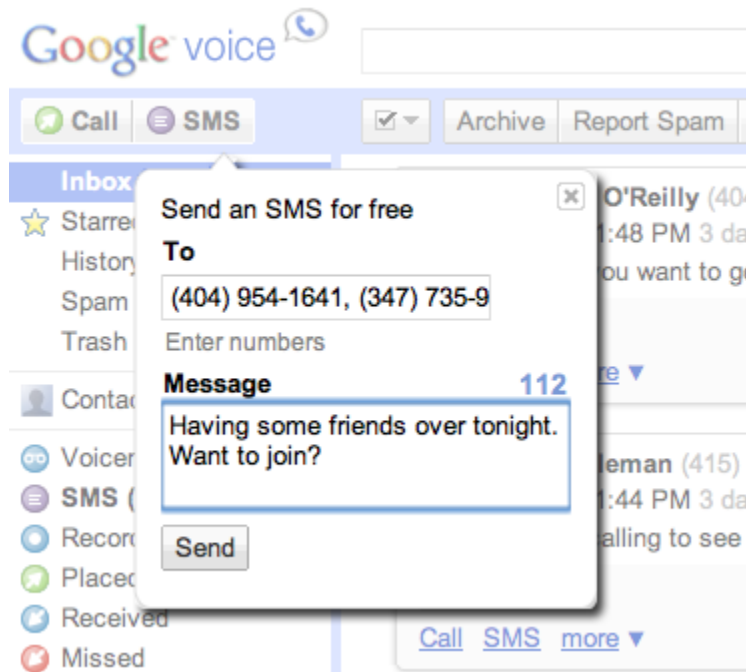
On February 1, 2010, Google posted a short entry on the Google Voice Blog. It read:

“Until now, sending a text message to multiple recipients required copying and pasting the message for each recipient.

“To make this a bit easier, we just launched the ability to send a single SMS message to multiple recipients. Just click on the SMS button at the top of your Google Voice inbox, enter names or numbers (separated by commas) in the "To" field, write your message and click send.



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“Replies from each recipient will be threaded into separate conversations, so you can keep track of them in your Google Voice inbox. To prevent spam, we've set a maximum of five recipients per message.”

“This feature is also available from the Chrome extension and we'll also be adding it to the Google Voice mobile app soon.”

People had been asking for this capability for quite some time already and the addition was received positively by all users, even with the 5-recipient cap.



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Google Voice, by the way, is an Internet-based phone forwarding service (obviously from Google) that provides users with singular Google Voice number (actually, a U.S. phone number), free of charge. Depending on how a user configures his/her account, inbound calls to this number can be forwarded to other phone numbers of the user. Google also has an international calling service tied to Google Voice.

It does NOT end here . . .

This Report Is ONLY The Beginning:

<http://www.mobilemarketingleadership.com>