

Mobile Advertising

"MobileMonday Vilnius", November 17, 2008



Mobile Advertising:

what is it?

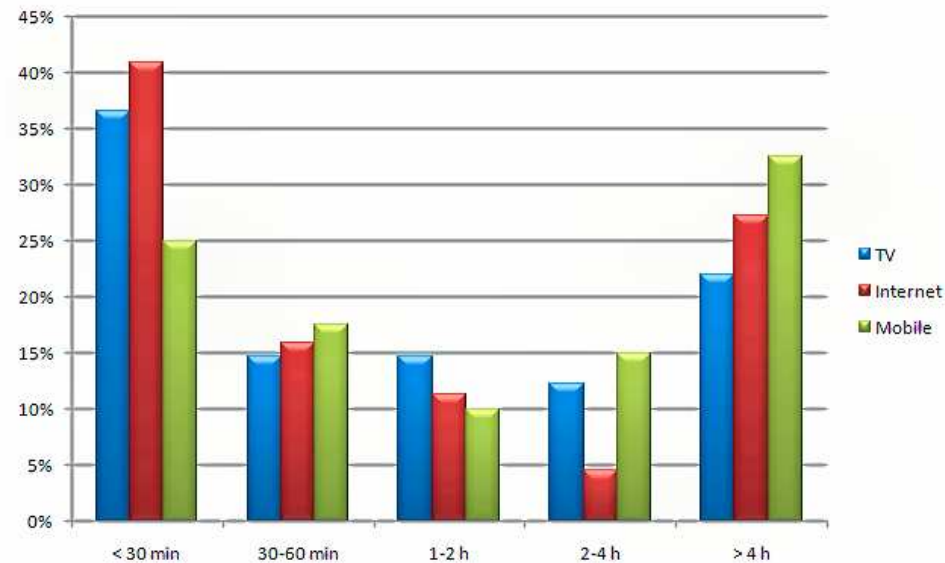


- Mobile advertising is NOT SMS spam
- Mobile is rapidly becoming a fully featured media, comparable to TV and WEB by any measure
- Mobile to support all TV/WEB ad shapes and forms (commercials, banners, text ads, interactive ads)



Mobile Advertising: *is it big?*

Time spent per day on TV / WEB / Mobile *



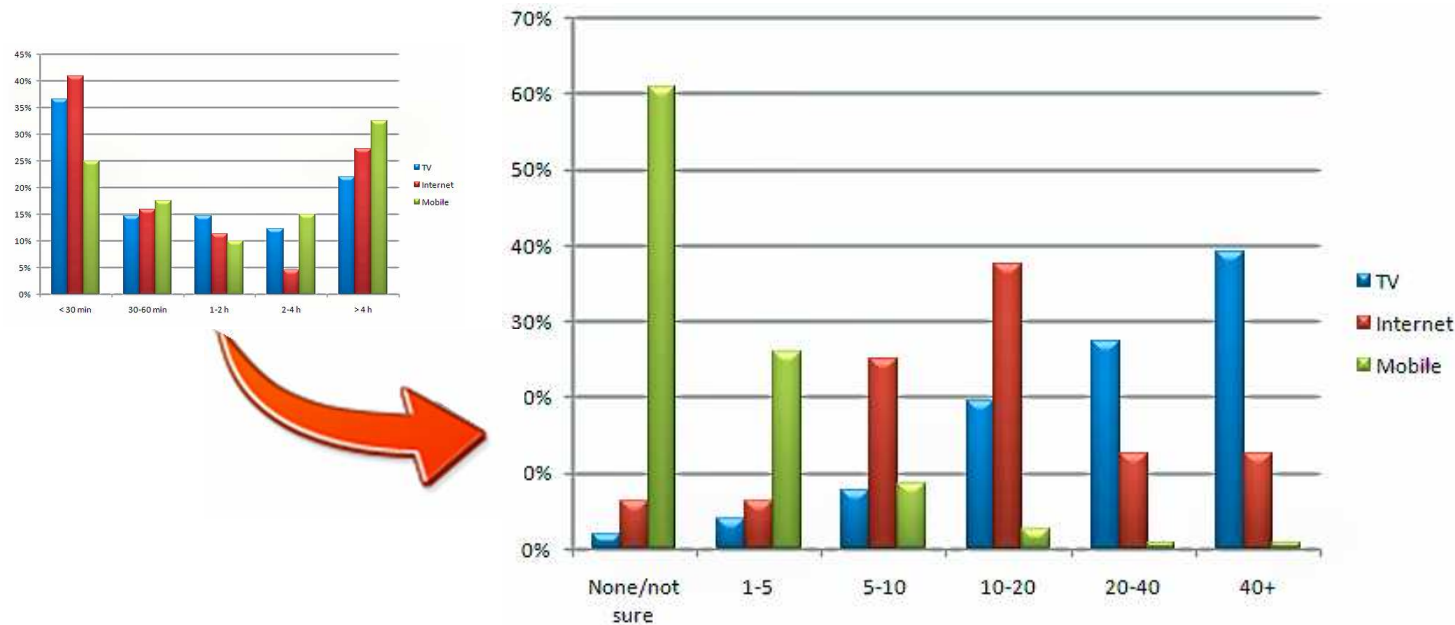
- Mobile users are already heavily engaged phone usage (news, browsing, messaging, games, etc.). 25+% reported 4h+ daily engagement
- Rapidly growing mobile products/services/media space will increase this even further, beyond TV & the Internet



* Source: GetJar poll / users having data plans and using mobile services / November 2008

Mobile Advertising: *is it explored?*

Ads seen per day (those spending 1-2h/day on the media) *



- Mobile as media is used **LOT LESS** for advertising than WEB/TV
 - On Mobile **61%** of respondents reported not being sure about seeing ads at all (compared to only 2% on TV)
 - On TV **36%** reported seeing 40+ ads daily (compared to only 1% on Mobile)



* Source: GetJar poll / users having data plans and using mobile services / November 2008

Mobile Advertising:

where are we?



- Big brands have not come yet
- Spenders are mostly mobile products/services, many are building user bases for later monetization
- Pricing is speculative, reflects user value expectations, not reality
- **Market size <1% of the potential**



Mobile Advertising:

where are we heading?

- There is a HUGE disrupt between the amount of user attention that mobile media is drawing and advertising utilization of this media. Mobile is expanding much faster than advertising market develops.
 - Mobile Advertising will rapidly grow both intensively (volumes) and extensively (eCPMs)
- Business models capable of drawing value from users are only being developed. Before they exist, the market is driven by very imprecise expectations (valuation of 1 active mobile user ranges from \$0.50 to \$50)
 - A major either way adjustment in pricing (eCPMs) is expected in 3-5 years (process similar to the early internet, when eCPMs fell from \$10 to \$1)
- Perfect timing for building products and services based on massive user base / ad supported business model (next mobile YouTubes & Facebooks)
 - Already existing solutions to ad-monetize both mobile applications or sites (GetJar MADI, Millenium Media, Smaato, etc.)
 - Larger scale ROI in 3-5 years following market maturity (Big brands coming to space & commercial mobile business models starting to work)



Questions ?

