

# Mobile Media Europe: State of the EU5 Union

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# Today's Objective

***To give you a deeper view of mobile media consumption in the **European** market and what that means for you***

# Today's Agenda

1. Mobile media consumption in Europe – a country-by-country comparison
  - *SMS penetrated*
  - *WAP is where the growth is*
  - *Video and social networking still early*
  - *Downloads: still a “get” consumer*
2. How leading countries have different consumption drivers
  - *PAYG vs. Post Pay*
  - *The next generation phone boom – where is it coming first?*
3. Mobile Advertising

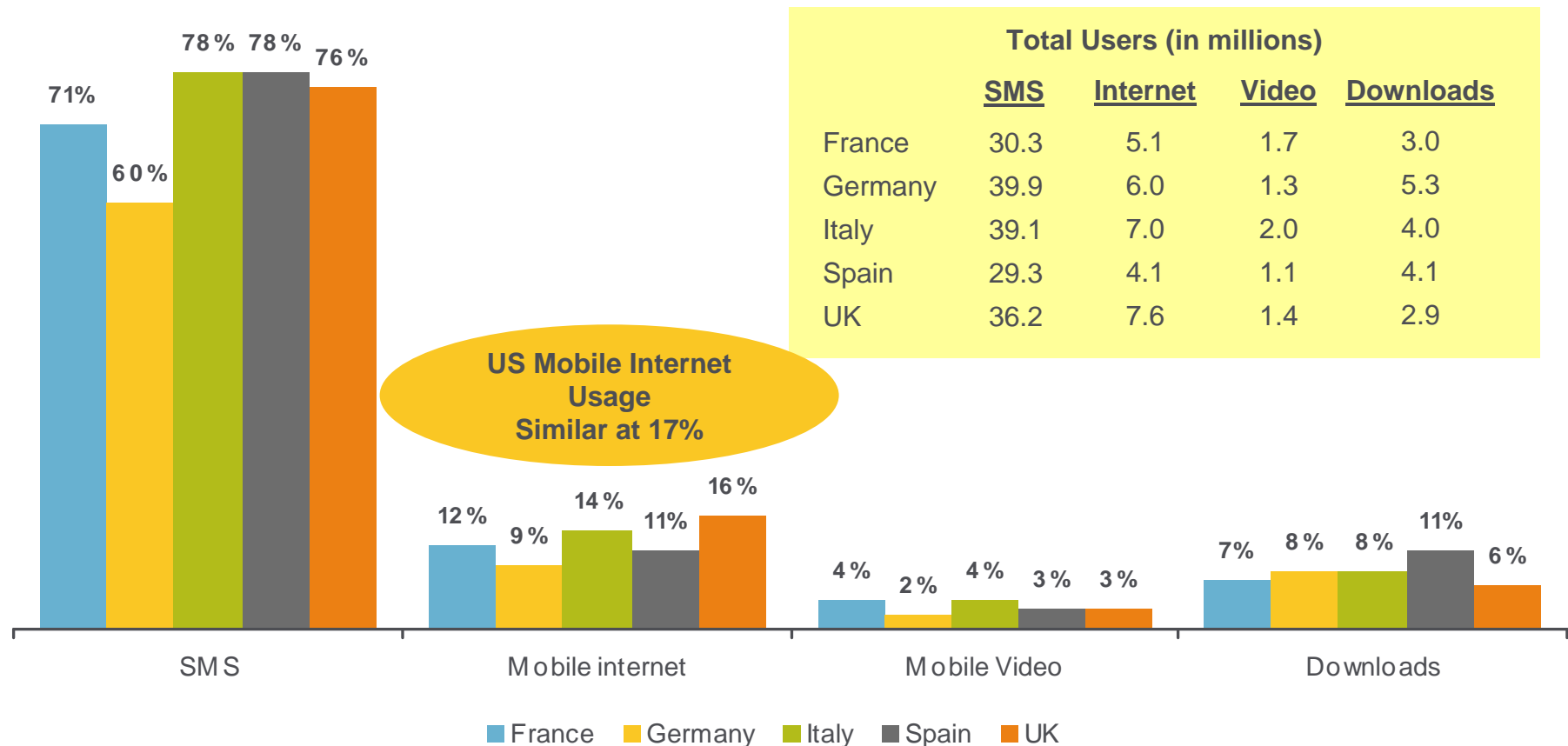
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# Size does not equal a being media leader

Mobile Media Penetration by Country

Q3 2008



|         | Total Users (in millions) |                 |              |                  |
|---------|---------------------------|-----------------|--------------|------------------|
|         | <u>SMS</u>                | <u>Internet</u> | <u>Video</u> | <u>Downloads</u> |
| France  | 30.3                      | 5.1             | 1.7          | 3.0              |
| Germany | 39.9                      | 6.0             | 1.3          | 5.3              |
| Italy   | 39.1                      | 7.0             | 2.0          | 4.0              |
| Spain   | 29.3                      | 4.1             | 1.1          | 4.1              |
| UK      | 36.2                      | 7.6             | 1.4          | 2.9              |

# 18-34 driving WAP; Teenagers still a “get” audience with heavy downloads

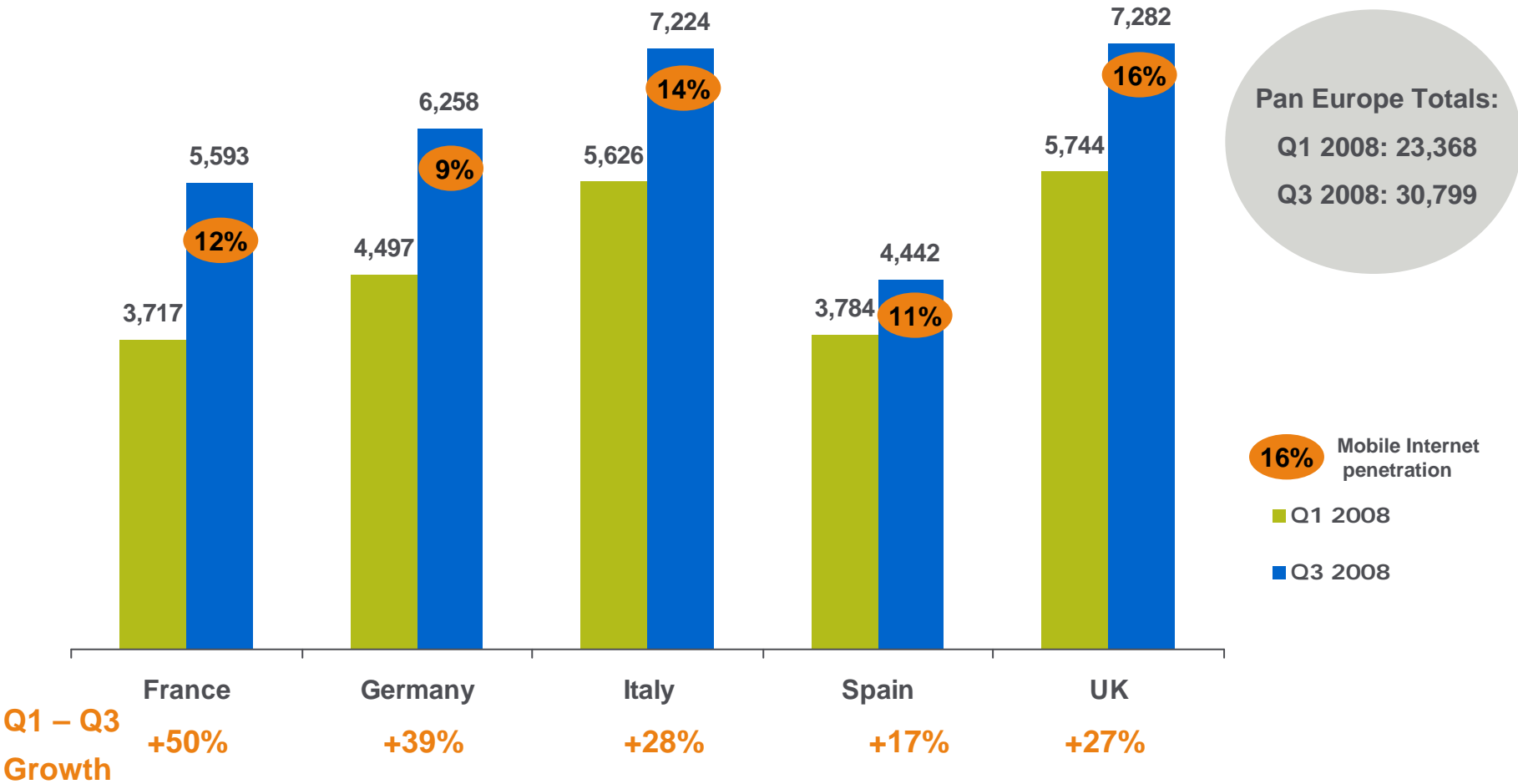
## Mobile Media User Penetration – Pan Europe

Q3 2008

| Media Type                      | Q3 2008 Total | Ages 15–17 | Ages 18–24 | Ages 25–34 | Ages 35–44 | Ages 45–54 | Ages 55+ |
|---------------------------------|---------------|------------|------------|------------|------------|------------|----------|
| SMS/Text Messaging              | 71%           | 82%        | 82%        | 81%        | 76%        | 71%        | 56%      |
| MMS/Picture Messaging           | 24%           | 33%        | 33%        | 33%        | 27%        | 20%        | 13%      |
| Mobile Internet                 | 13%           | 13%        | 19%        | 20%        | 15%        | 11%        | 4%       |
| Game Downloads                  | 7%            | 13%        | 13%        | 12%        | 7%         | 4%         | 1%       |
| Audio Downloads                 | 7%            | 15%        | 8%         | 9%         | 9%         | 7%         | 3%       |
| Wallpaper/Screensaver Downloads | 5%            | 10%        | 8%         | 6%         | 6%         | 5%         | 3%       |
| Mobile Video                    | 3%            | 5%         | 5%         | 5%         | 4%         | 2%         | 1%       |

# Mobile Internet: Strong growth in 2008

Mobile Internet Unique Audience (000s) by Country  
Q3 2008



# Mobile Internet: Social networking a top category only in the UK; Germany low on entertainment

## Top 10 Website Categories by Country

Q3 2008

### France

- Portals
- Email
- Weather
- Search
- **Entertainment**
- Sports
- Music
- Games
- News / Current Events
- Banking / Online Trading

### Germany

- Portals
- Email
- News / Current Events
- Search
- Weather
- Sports
- Shopping / Auctions
- Banking / Online Trading
- Business / Finance
- Music

### Italy

- Portals
- Email
- News / Current Events
- Search
- **Entertainment**
- Music
- Weather
- City Guides / Maps
- Sports
- Shopping / Auctions

### Spain

- Portals
- Email
- **Entertainment**
- News / Current Events
- Games
- City Guides / Maps
- Banking / Online Trading
- Music
- Search
- Technology / Science

### UK

- Portals
- **Entertainment**
- Email
- News / Current Events
- Weather
- Search
- **Social Networking**
- Sports
- Music
- Shopping / Auctions

# Mobile Internet: Social networking and web video is growing fast

## Mobile Internet Growth by Category

Q12008 - Q3 2008

| France                 |      |
|------------------------|------|
| Q1-Q3 08 Growth        | 50%  |
| Videos/Movies*         | 260% |
| Adult Content**        | 248% |
| Social Networking*     | 174% |
| Health/Fitness**       | 146% |
| Shopping/Auctions      | 137% |
| Music                  | 128% |
| Games                  | 125% |
| Search                 | 111% |
| Property**             | 108% |
| Banking/Online Trading | 101% |

| Germany                |      |
|------------------------|------|
| Q1-Q3 08 Growth        | 39%  |
| Videos/Movies*         | 362% |
| Property**             | 313% |
| Social Networking*     | 257% |
| Adult Content**        | 251% |
| Education/Employment** | 232% |
| Banking/Online Trading | 198% |
| Games                  | 167% |
| Business/Finance       | 138% |
| Health/Fitness**       | 125% |
| Shopping/Auctions      | 107% |

| Italy              |      |
|--------------------|------|
| Q1-Q3 08 Growth    | 28%  |
| Lottery/Gambling** | 255% |
| Property**         | 184% |
| Social Networking* | 160% |
| Shopping/Auctions  | 128% |
| Business/Finance   | 109% |
| Entertainment      | 105% |
| Food/Dining*       | 82%  |
| Search             | 77%  |
| City Guides/Maps   | 66%  |
| Health/Fitness**   | 64%  |

| Spain                  |     |
|------------------------|-----|
| Q1-Q3 08 Growth        | 17% |
| Health/Fitness**       | 92% |
| Banking/Online Trading | 67% |
| Education/Employment** | 64% |
| Weather                | 45% |
| Games                  | 42% |
| Entertainment          | 42% |
| City Guides/Maps       | 40% |
| Technology/Science     | 35% |
| News & Current Events  | 28% |
| Social Networking*     | 28% |

| United Kingdom         |      |
|------------------------|------|
| Q1-Q3 08 Growth        | 27%  |
| Social Networking*     | 156% |
| Health/Fitness**       | 154% |
| Property**             | 149% |
| Education/Employment** | 79%  |
| Videos/Movies*         | 76%  |
| Banking/Online Trading | 68%  |
| Games                  | 61%  |
| Food/Dining*           | 61%  |
| Automotive*            | 60%  |
| Music                  | 59%  |

# Mobile Internet: Facebook and YouTube are behind that growth; everyone loves eBay?

## Top Website Categories by Country

Q3 2008

### France

- Google Search
- Live Hotmail
- MeteoFrance
- Orange Mail
- Lequipe
- Yahoo! Mail
- **YouTube**
- Gmail
- **eBay**
- Mappy
- SFR Music
- DailyMotion Shorts
- SFR Weather
- La Poste Webmail
- Orange Sports

### Germany

- Google Search
- GMX Mail
- **eBay**
- T-Online WebMail
- Wetter.de
- Free WebMail
- Google Maps
- Spiegel Online
- Yahoo! Mail
- WetterOnline
- AOL Mail
- **YouTube**
- Live Hotmail
- Sparkasse
- Paypal

### Italy

- Google Search
- Live Hotmail
- Alice Mail
- Gmail
- **eBay**
- Google Maps
- Yahoo! Mail
- Meteo.it
- LastMinute.com
- Ilsole24Ore
- MTV
- Corriere della sera
- Paginegialle.it
- Repubblica
- Google News

### Spain

- Live Hotmail
- Google Search
- Gmail
- Google Maps
- Telefonica Mail
- Yahoo! Mail
- Los40.com
- Marca
- La Caixa
- El Mundo
- Elpais.com
- **YouTube**
- **eBay**
- Guiacampsa
- iGoogle

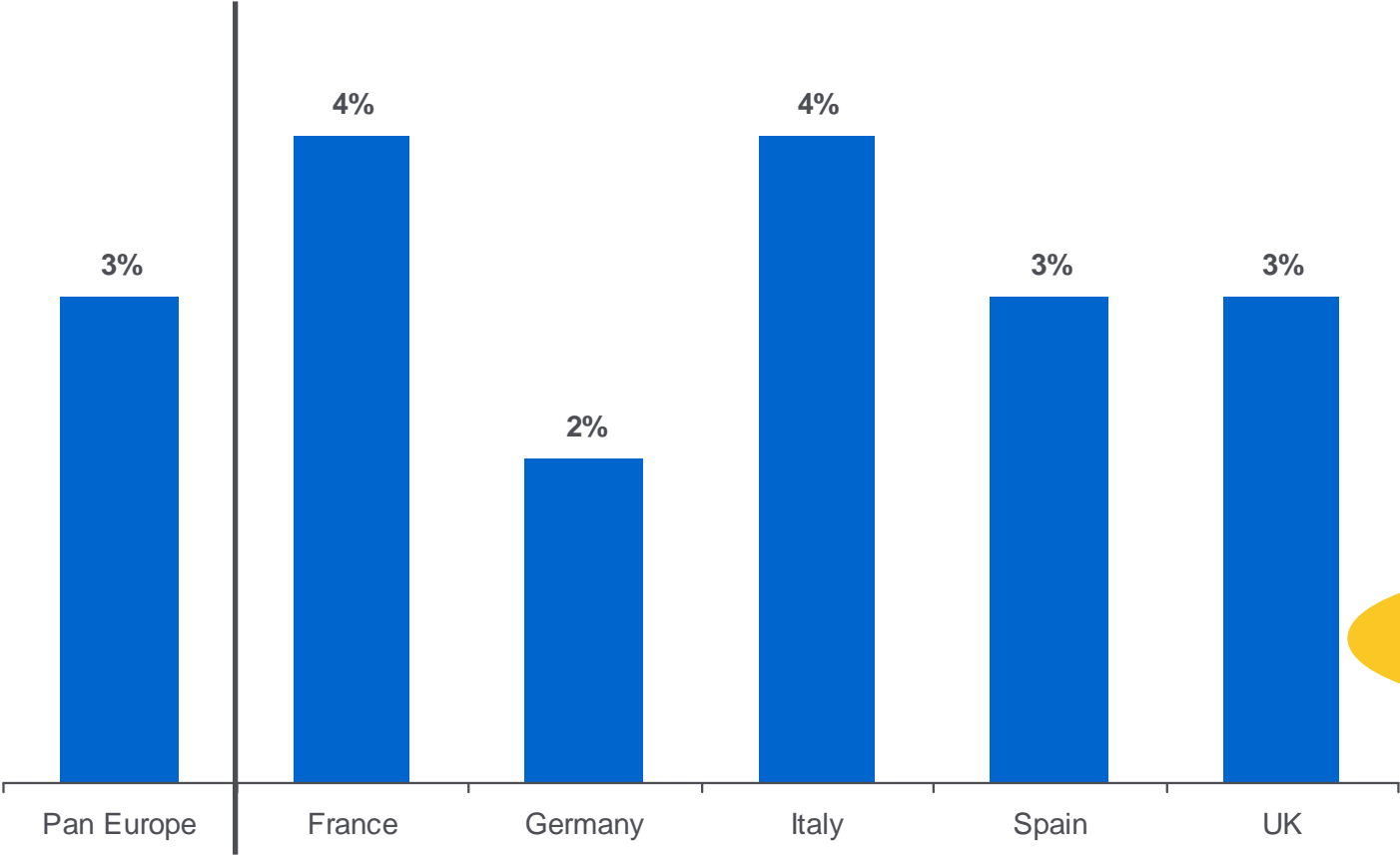
### UK

- BBC News
- Google Search
- BBC Weather
- **Facebook**
- Live Hotmail
- BBC Sports
- Yahoo! Mail
- **eBay**
- SKY Sports
- Gmail
- Google Maps
- Amazon
- iTunes
- Sky News
- BBC Entertainment

# Mobile Video: Early days; Italy leads alongside France

Mobile Video User Penetration by Country

Q3 2008



| <u>Active Users (M)</u> |     |
|-------------------------|-----|
| France                  | 1.7 |
| Germany                 | 1.3 |
| Italy                   | 2.0 |
| Spain                   | 1.1 |
| UK                      | 1.4 |

US Video Usage  
Similar at 5%

# Mobile Video: News and Sports programming dominates

## Top Mobile Video Categories by Country

Q3 2008

### France

- Sports
- Music Video
- News
- Cinema Released Movies
- Weather
- Entertainment
- Content Made Specifically for Mobile TV
- Comedy
- Educational
- Kids Programs
- Drama
- Home & Garden

### Germany

- News
- Sports
- Entertainment
- Weather
- Music Video
- Comedy
- Drama
- Cinema Released Movies
- Content Made Specifically for Mobile TV
- Educational
- Home & Garden
- Kids Programs

### Italy

- News
- Sports
- Weather
- Cinema Released Movies
- Entertainment
- Music Video
- Comedy
- Kids Programs
- Educational
- Content Made Specifically for Mobile TV
- Home & Garden
- Drama

### Spain

- Entertainment
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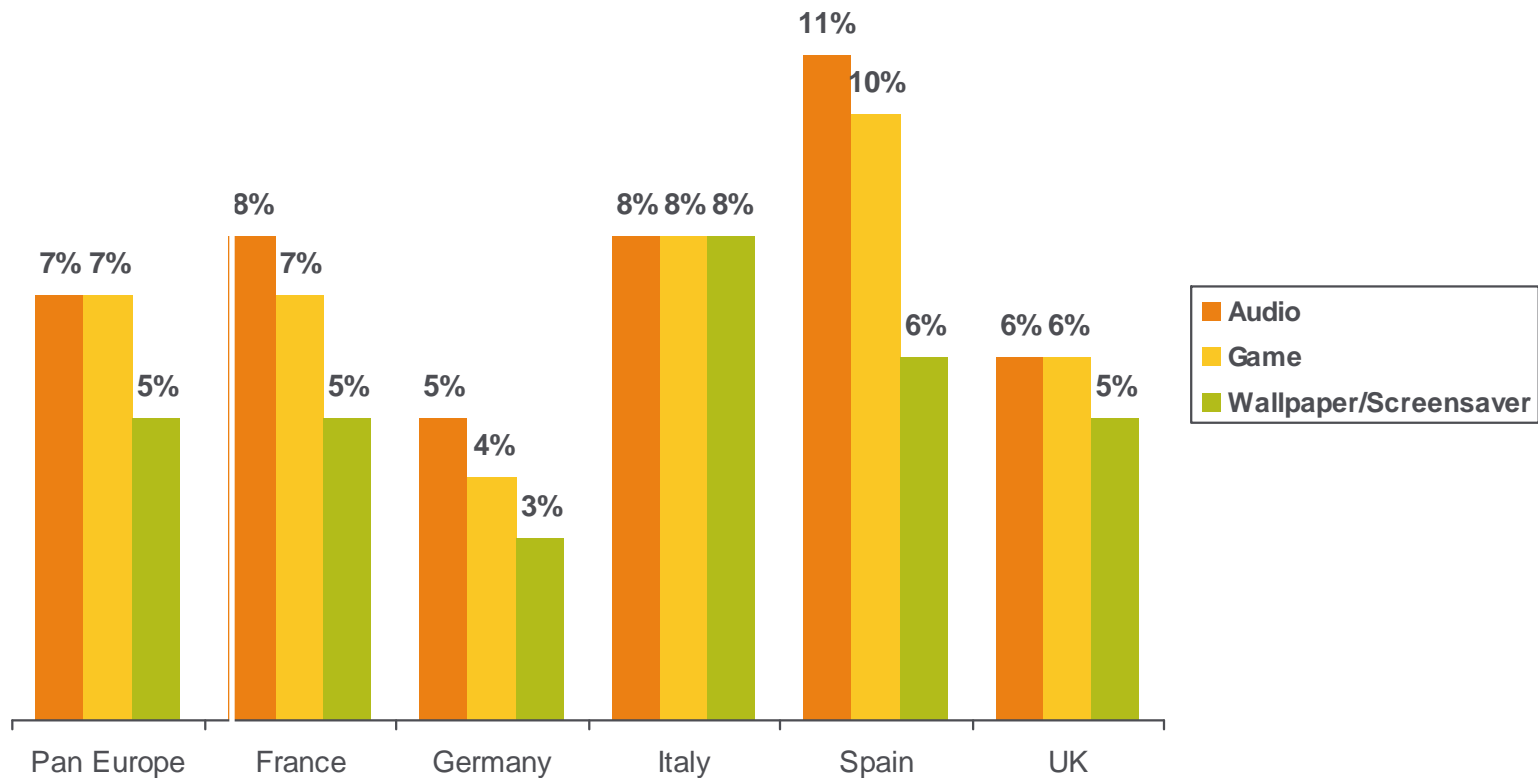
### UK

- News
- Entertainment
- Sports
- Weather
- Music Video
- Comedy
- Cinema Released Movies
- Content Made Specifically for Mobile TV
- Educational
- Drama
- Kids Programs
- Home & Garden

# Downloads: EU still a “get” culture, especially Spain and Italy

## Downloader Penetration by Country

Q3 2008, National



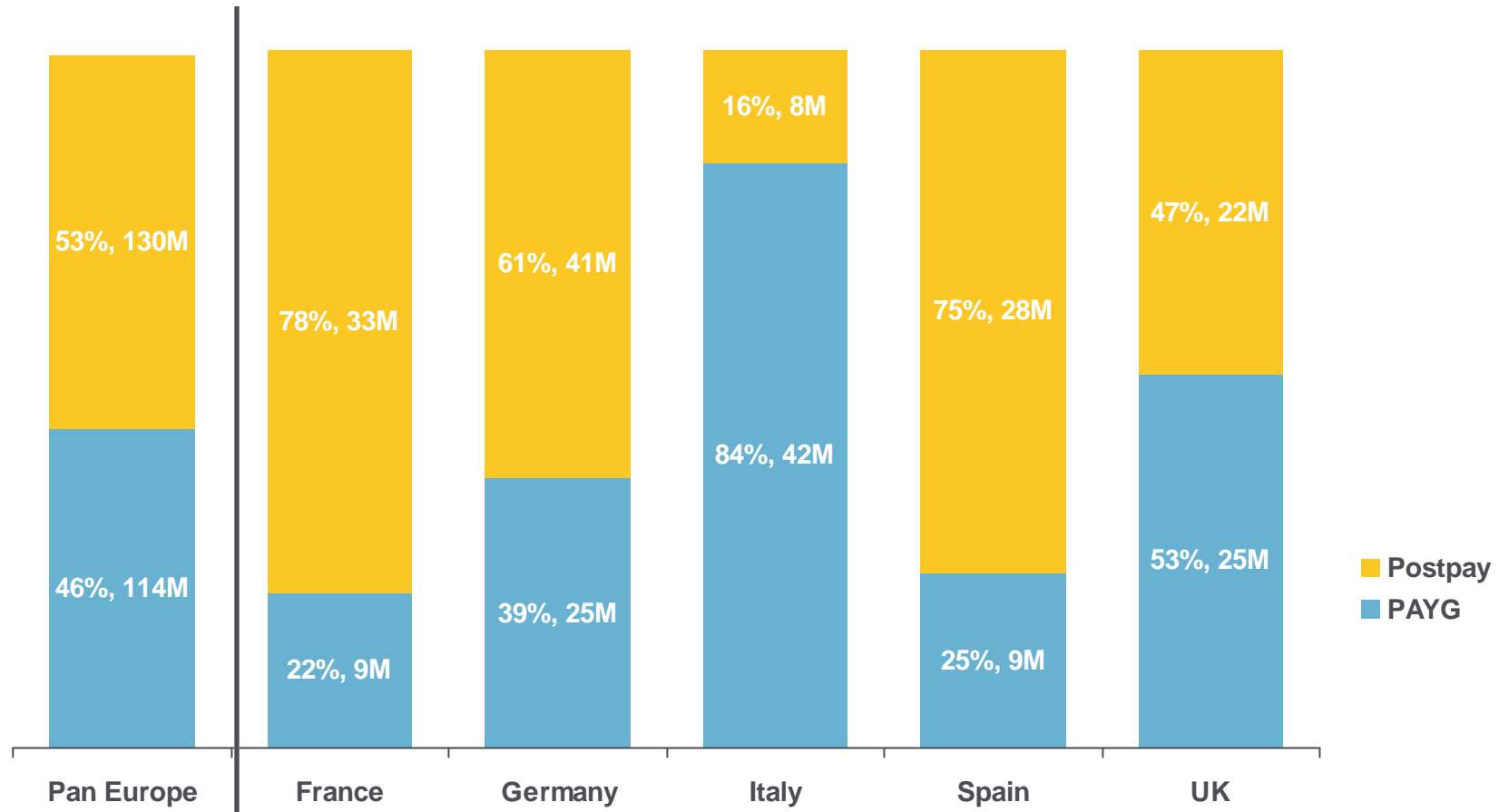
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3. Mobile Advertising

# PAYG vs. Post Pay: 42 million Italians are PAYG

## Bill Payment Type by Country

Q3 2008



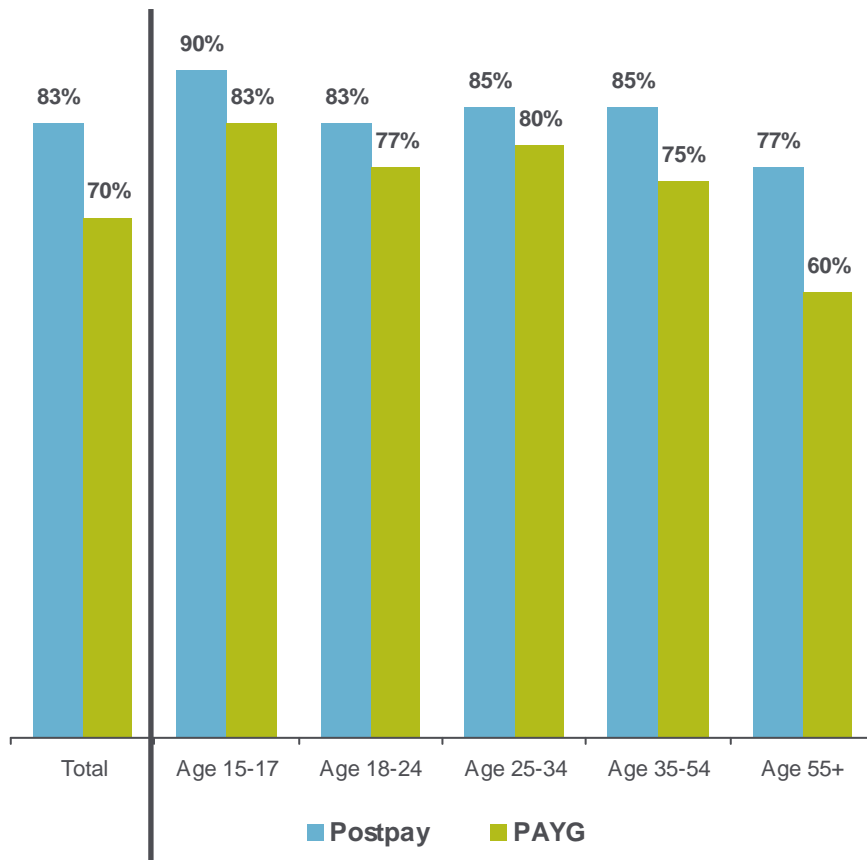
# PAYG vs. Post Pay: Italy, UK and Germany very different

- UK and Germany are both Post Pay markets, but UK has moved much more to flat-rate while Germany held back without it
- Italy is the same size market as UK, but a PAYG market, and yet matches UK in mobile media consumption
- Italians are willing to spend more on their devices and service

# PAYG vs. Post Pay: In Italy, PAYG does not hinder SMS penetration...

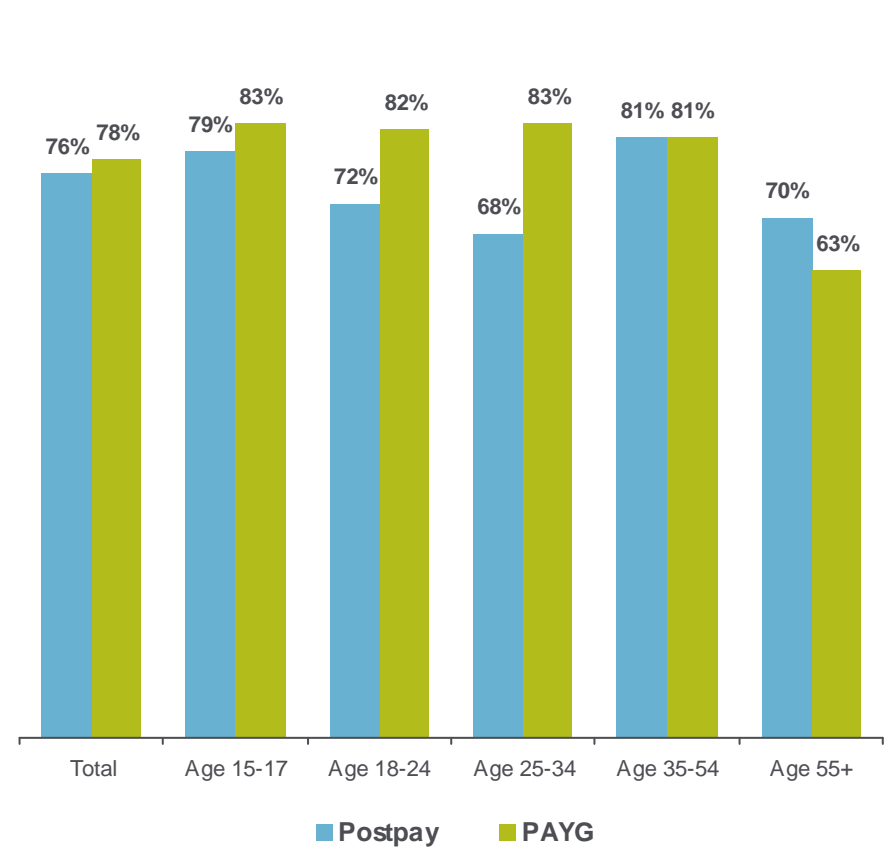
SMS Usage by Age & Pay Method – UK

Q3 2008



SMS Usage by Age & Pay Method – Italy

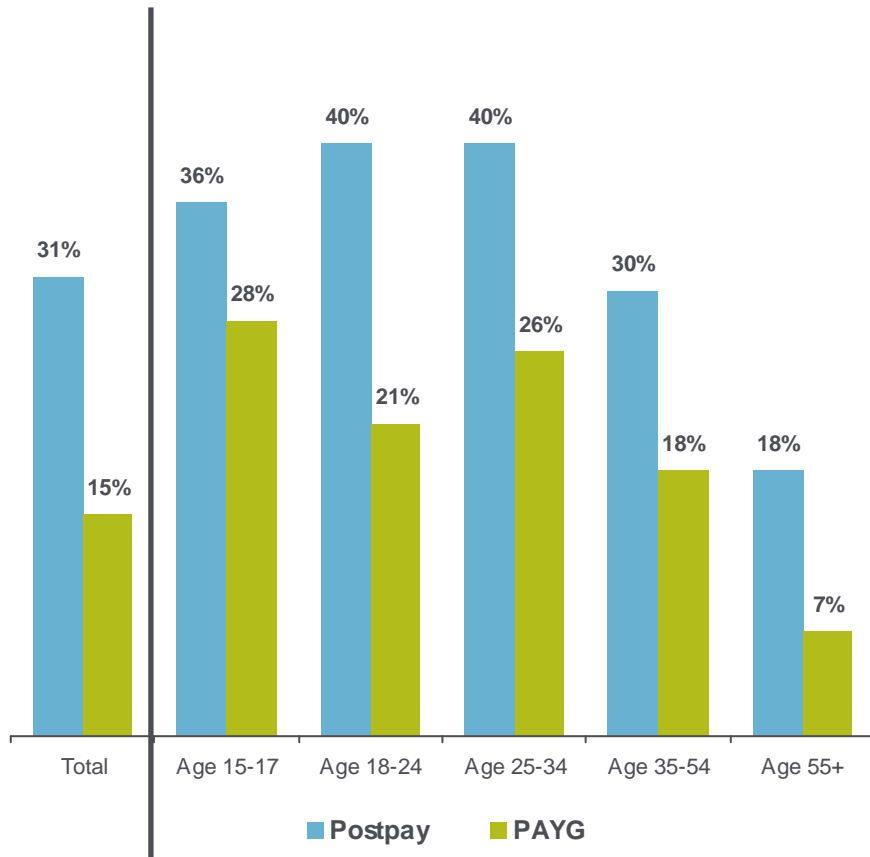
Q3 2008



# PAYG vs. Post Pay: ...or MMS penetration

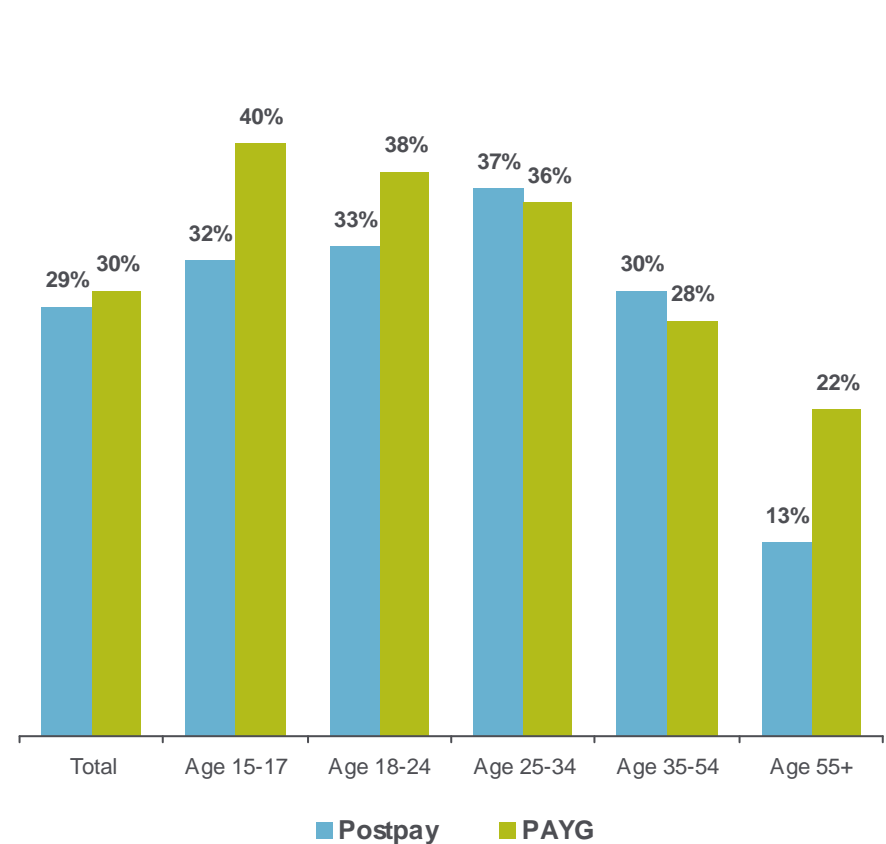
MMS Usage by Age & Pay Method – UK

Q3 2008



MMS Usage by Age & Pay Method – Italy

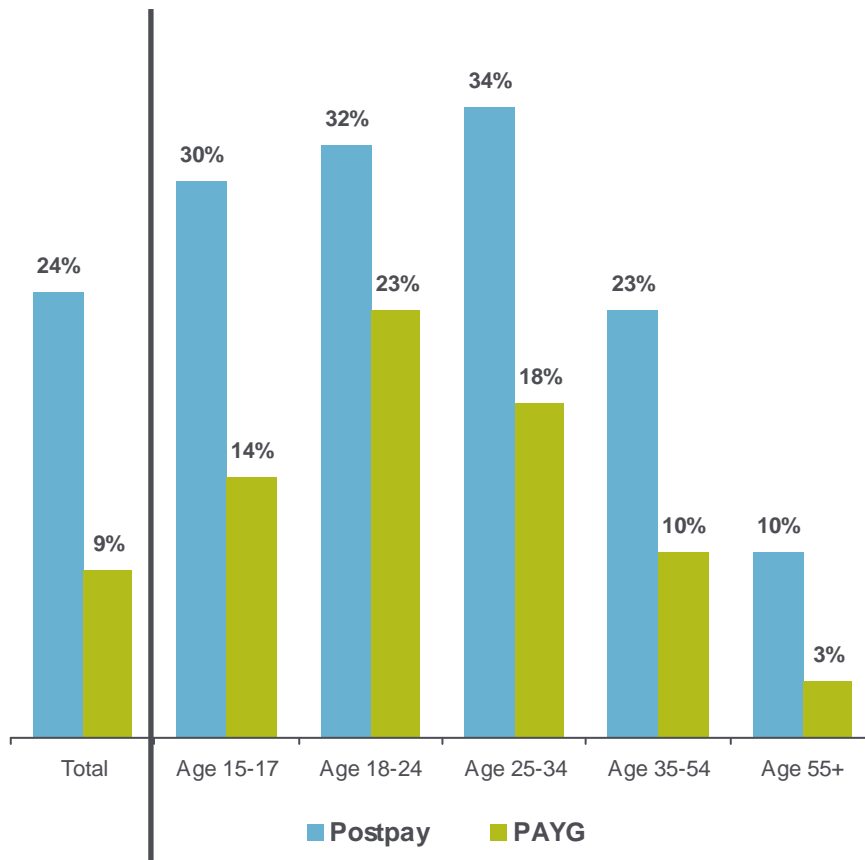
Q3 2008



# PAYG vs. Post Pay: Post Pay seems key for internet growth

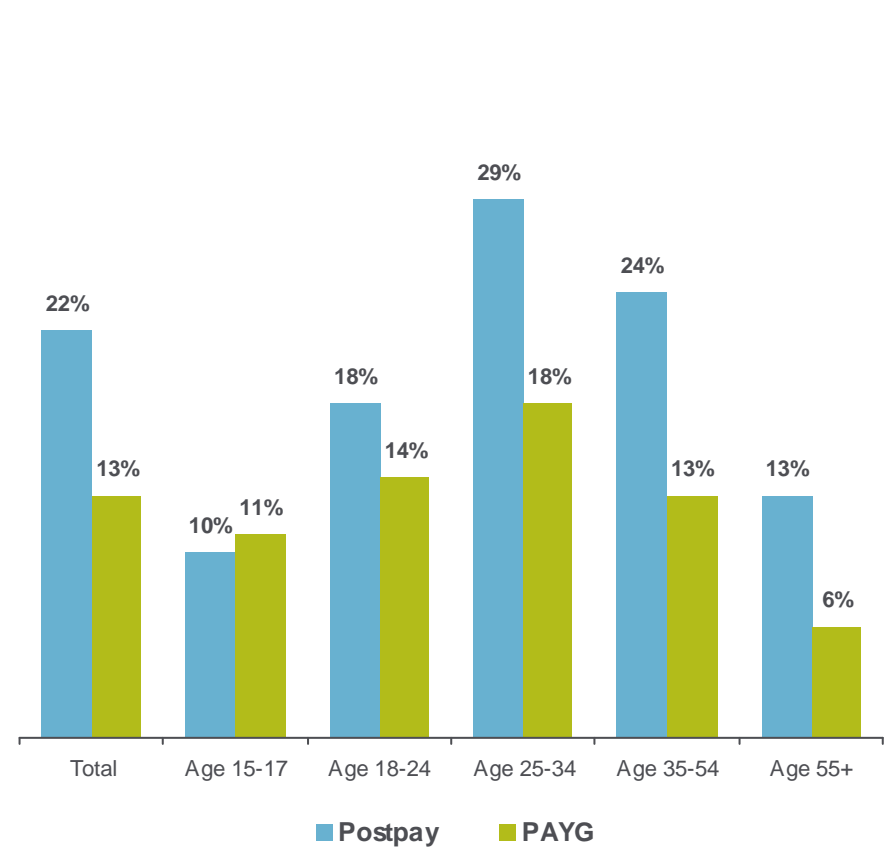
## Mobile Web Usage by Age & Pay Method – UK

Q3 2008



## Mobile Web Usage by Age & Pay Method – Italy

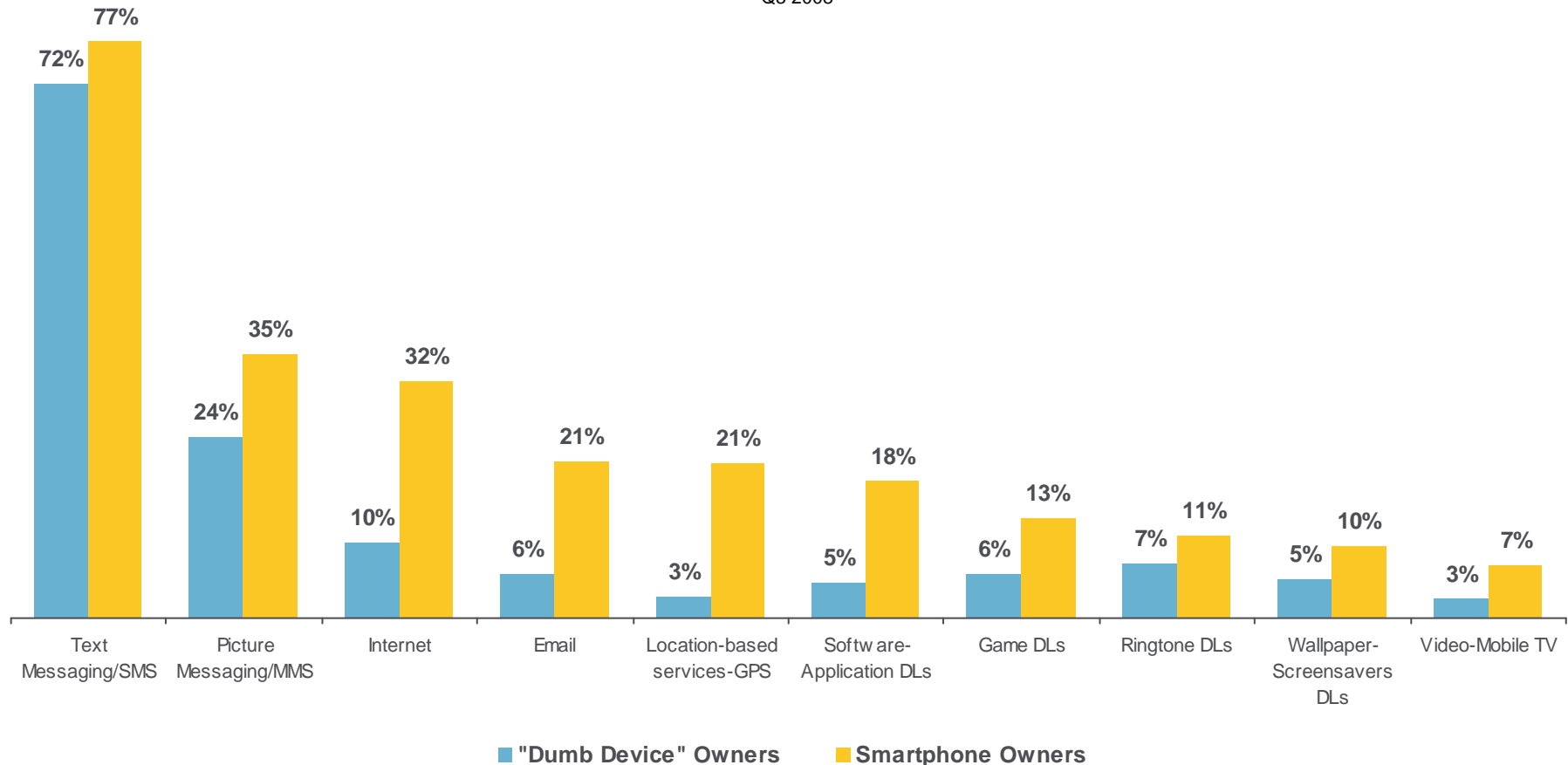
Q3 2008



# Next generation phones: Smartphones drive usage

## Pan Europe Mobile Media Usage Penetration (Past 30 Days)

Q3 2008



# Next generation phones: Italy is a leader in next-gen phone penetration

## Subscriber Penetration of Handsets by Device Characteristic

Q3 2008

| Device Characteristic | Q3 2008 Total | France | Germany | Italy | Spain | UK  |
|-----------------------|---------------|--------|---------|-------|-------|-----|
| Smartphones           | 15%           | 8%     | 10%     | 26%   | 20%   | 12% |
| 3G Enabled            | 33%           | 25%    | 32%     | 38%   | 42%   | 31% |
| WAP Enabled           | 97%           | 98%    | 97%     | 96%   | 99%   | 96% |
| Wi-Fi Enabled         | 6%            | 6%     | 5%      | 7%    | 7%    | 6%  |
| MMS Enabled           | 97%           | 97%    | 97%     | 97%   | 98%   | 97% |
| Java Enabled          | 96%           | 96%    | 95%     | 98%   | 97%   | 94% |
| GPRS Enabled          | 93%           | 96%    | 93%     | 90%   | 93%   | 92% |
| Camera Phone          | 87%           | 87%    | 83%     | 87%   | 91%   | 87% |
| GPS Enabled           | 5%            | 2%     | 4%      | 6%    | 4%    | 6%  |
| Video Enabled         | 56%           | 51%    | 53%     | 59%   | 64%   | 58% |

# Next generation phones: 18-34 year-old Italians have next-gen phones; 15-17 have video phones

## Subscriber Penetration of Handsets by Device Characteristic – Italy

Q3 2008

| Device Characteristic | Q3 2008 Total | Ages 15-17 | Ages 18-24 | Ages 25-34 | Ages 35-54 | Ages 55+ |
|-----------------------|---------------|------------|------------|------------|------------|----------|
| Smartphones           | 26%           | 30%        | 32%        | 33%        | 26%        | 13%      |
| 3G Enabled            | 38%           | 39%        | 43%        | 43%        | 40%        | 27%      |
| WAP Enabled           | 96%           | 98%        | 98%        | 98%        | 95%        | 93%      |
| Wi-Fi Enabled         | 7%            | 7%         | 5%         | 11%        | 8%         | 4%       |
| MMS Enabled           | 97%           | 98%        | 98%        | 98%        | 97%        | 95%      |
| Java Enabled          | 98%           | 100%       | 98%        | 96%        | 98%        | 97%      |
| GPRS Enabled          | 90%           | 93%        | 90%        | 92%        | 90%        | 89%      |
| Camera Phone          | 87%           | 93%        | 92%        | 91%        | 86%        | 79%      |
| GPS Enabled           | 6%            | 6%         | 4%         | 8%         | 7%         | 5%       |
| Video Enabled         | 59%           | 70%        | 62%        | 62%        | 59%        | 49%      |

# Today's Agenda

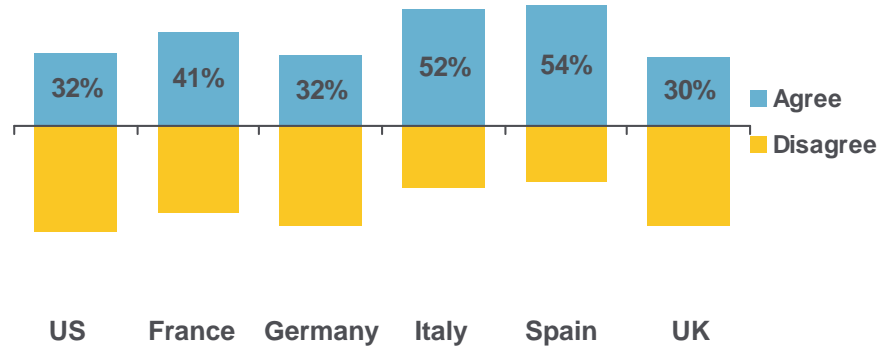
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# Europeans are more open to mobile advertising

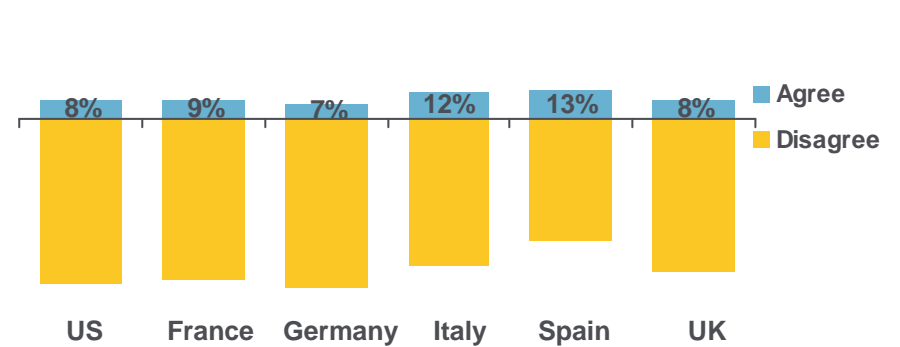
## Perceptions of Mobile Advertising by Country

Q2 2008 US, Q4 2008 EU, Mobile Data Users

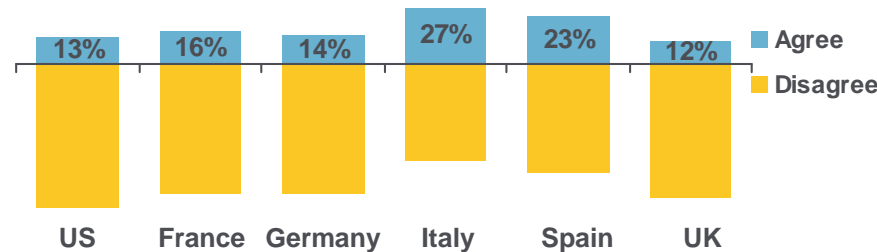
I am open to advertising on my mobile device if it lowers my bill



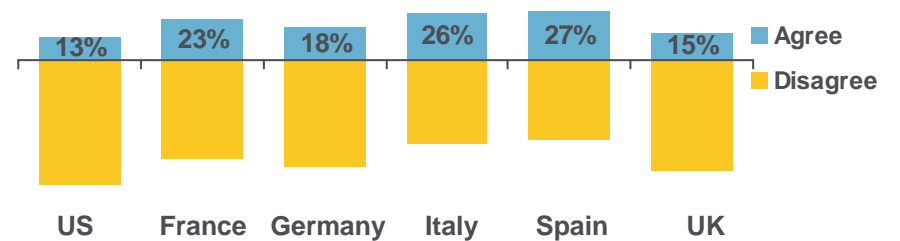
Advertising on my mobile phone is trustworthy



I am open to advertising on my mobile device if it improves the media and content currently available



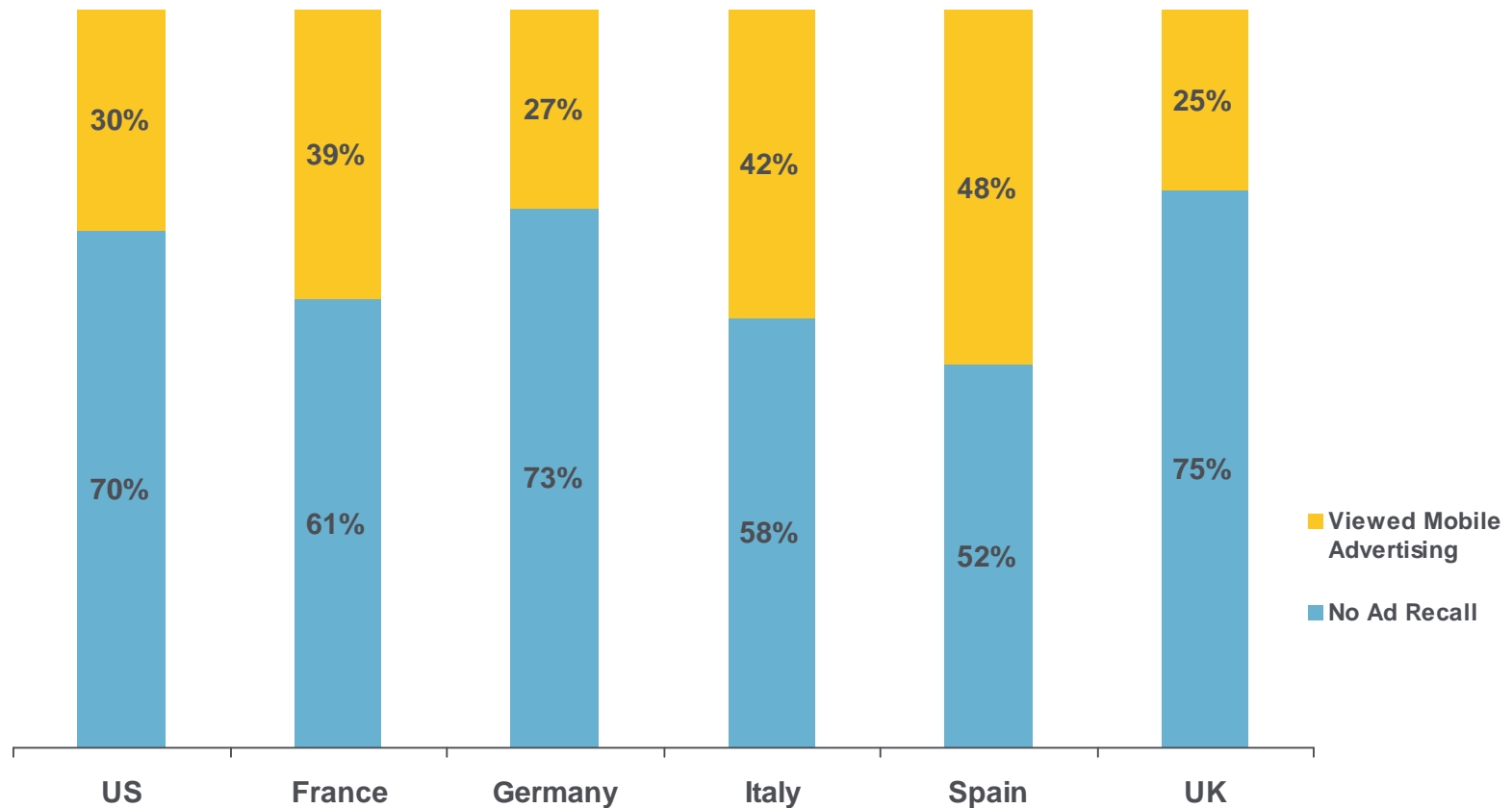
I don't mind advertising on my mobile device so long as it is relevant to my interests



# Spanish users viewed advertising the most at 48%

## Overall Mobile Advertising Recall by Country

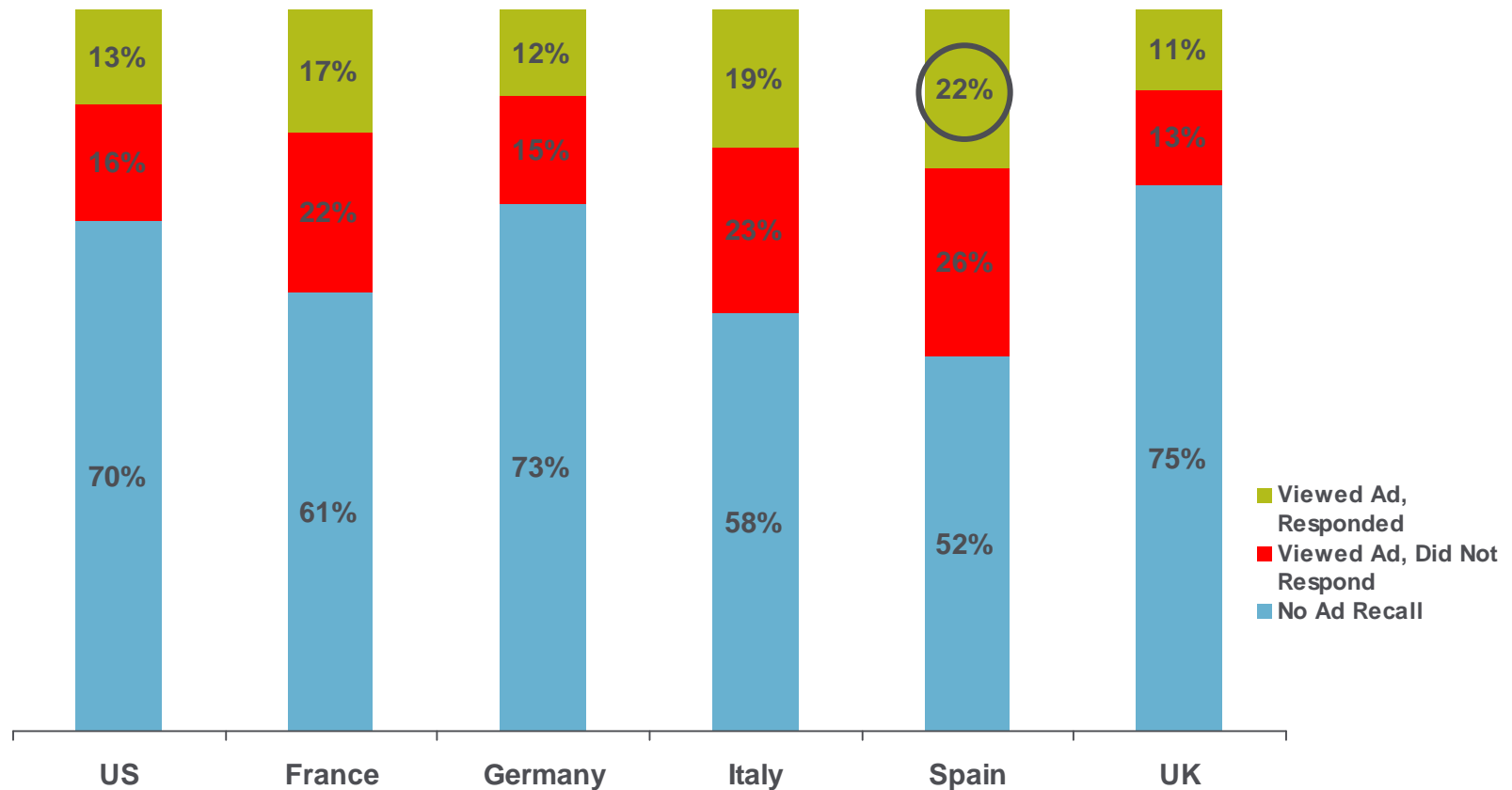
Q2 2008 US, Q4 2008 EU, Mobile Data Users



# Overall, Spain had the highest response rate

## Overall Mobile Advertising Recall and Response by Country

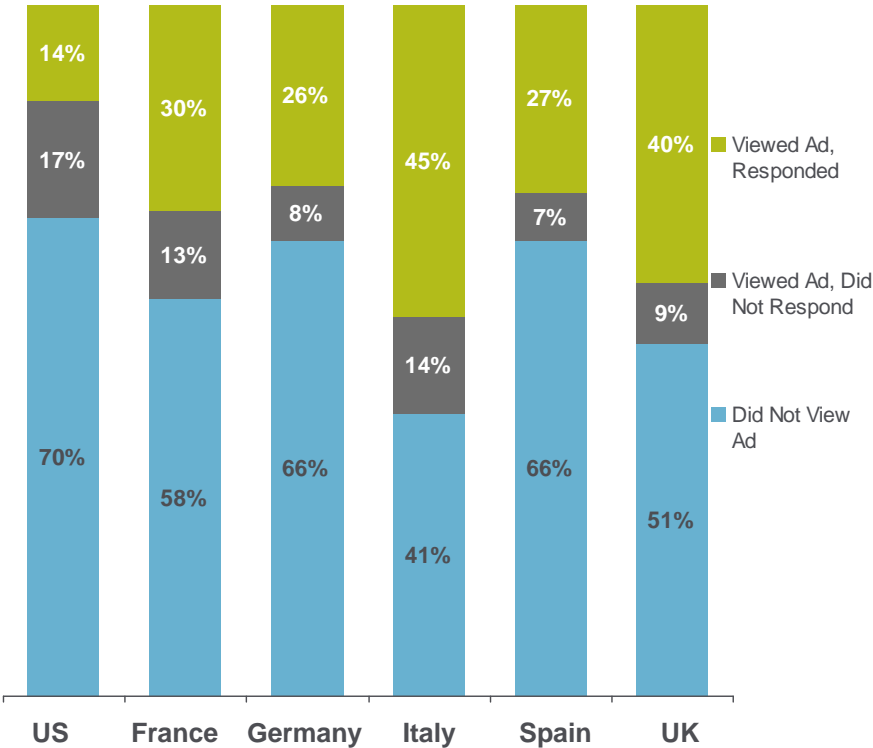
Q2 2008 US, Q4 2008 EU, Mobile Data Users



# Italian Game and SMS users were very responsive

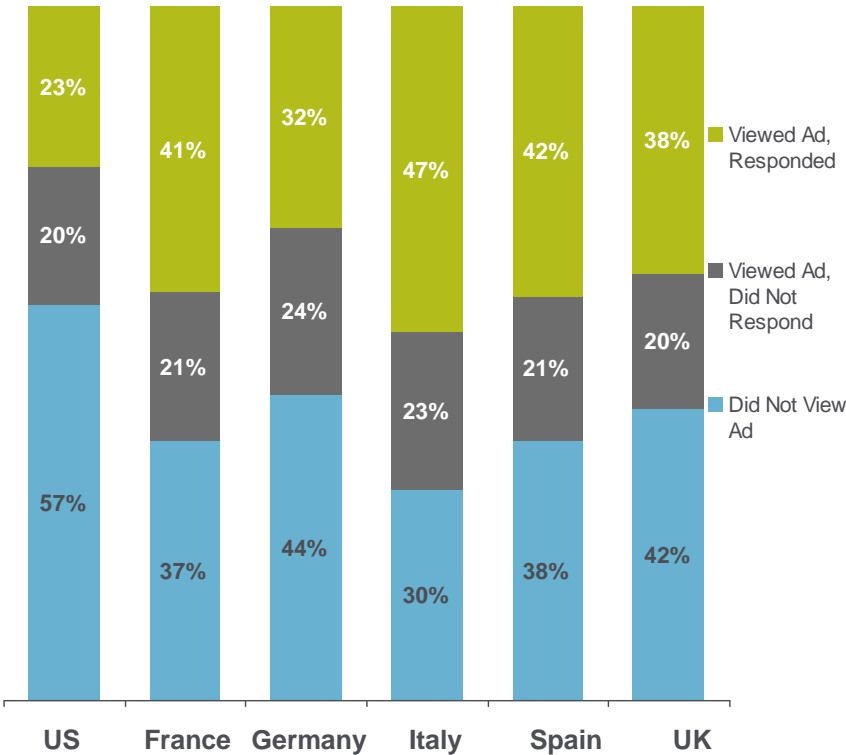
## Ad Responses by SMS Users

Mobile Data Users (N=22,414)



## Ad Responses by Game Users

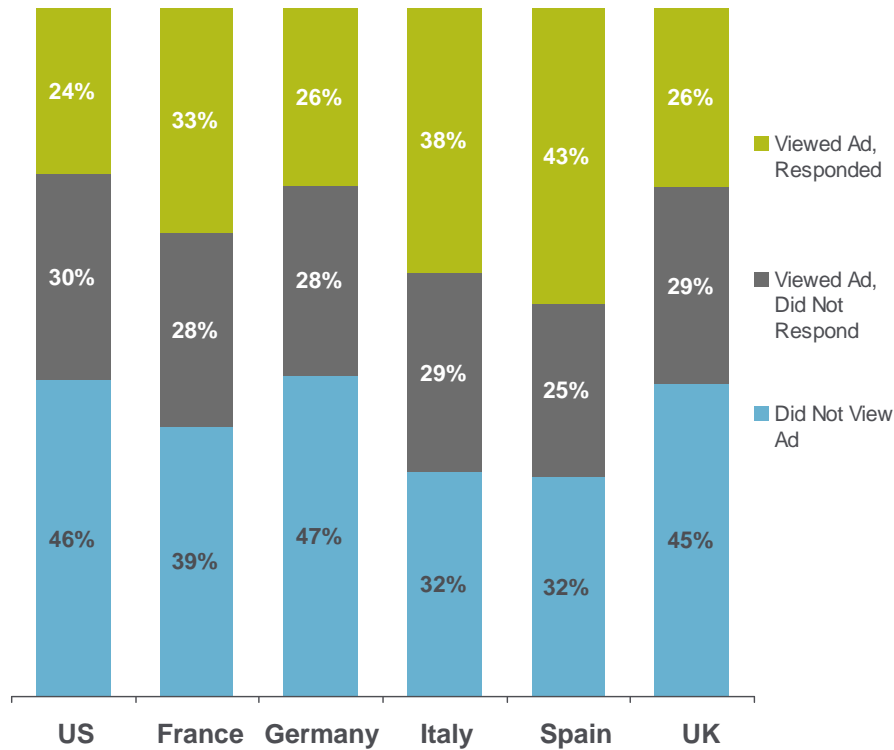
Mobile Data Users (N=22,414)



# Video users more responsive compared to other data users

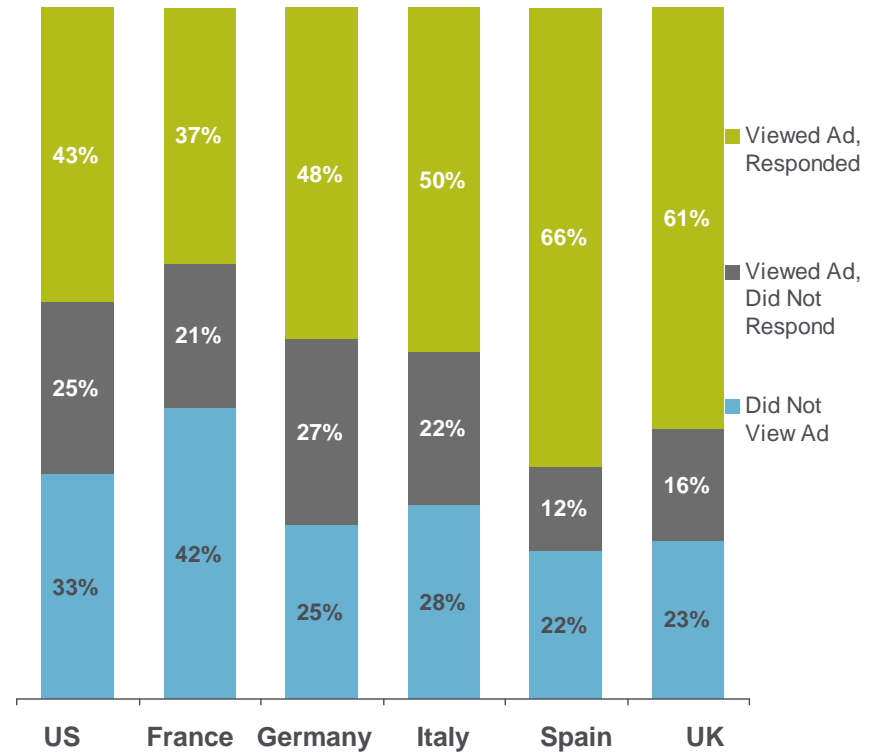
## Ad Responses by WAP Users

Mobile Data Users (N=22,414)



## Ad Responses by Video Users

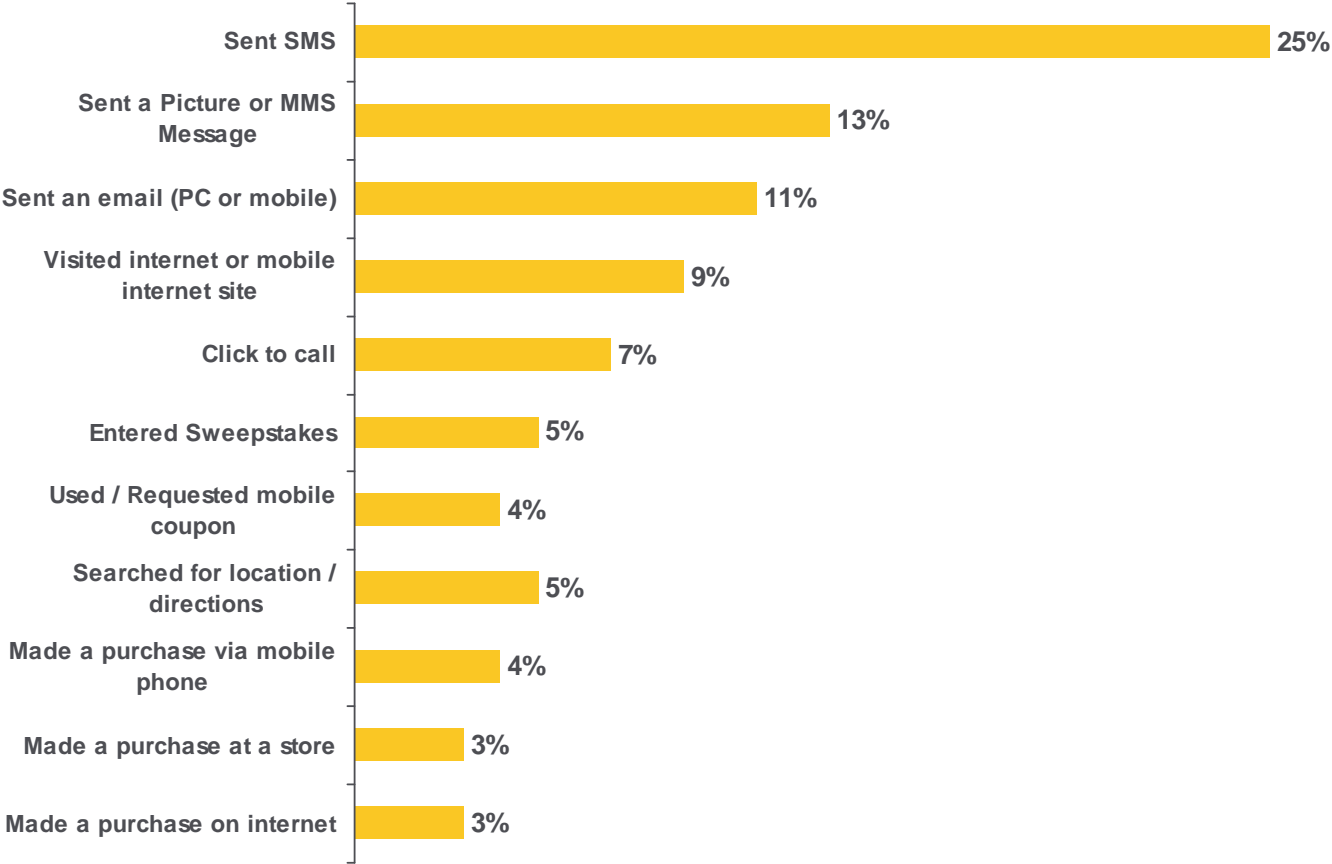
Mobile Data Users (N=22,414)



# SMS was the most used to respond to ads in the US

## Top Responses Among Ad Responders

US Q2 08 Ad Viewers who Responded (N=2,600)



# A short summary...

## US

- Mobile marketing focus on **SMS** and **WAP** is right
- However, consumers are shifting from **“get”** to **“connect”**
- **3G Smartphones with unlimited data plans** (like the iPhone) are the future
- Also, need to keep **an eye on video and apps**

## EU

- SMS penetrated, **WAP** is a growth engine
- **Still a “get” consumer** – downloads still prominent, especially among teens
- Need to figure out how to market to **PAYG** consumer especially in **Italy** that often leads on consumption and next-gen phones
- Also, keep an eye on **social networking and video**
- Mobile advertising **gets accepted**

# Thank you!

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