



2009 3ple-Media Survey: Making Mobile Multimedia Work Survey Summary Findings

OPERATOR EVOLUTION CONTINUES

- **78%** of subscribers say they see their mobile operator as most like an ISP Provider (trusted with connectivity services); a marked increase from last year's total of **66%** thinking the same. The shift in public perception of operators evolving to become multimedia service providers is growing, year-on-year.
- Only **14%** of subscribers see operators as mere aggregators of multimedia content (most like cable or satellite TV providers), fewer than last year's figure of **20%** of subscribers thinking the same.
- This year, approximately half the number of subscribers (**8%** vs. last year's **14%**) see operators as most like their Bank – as a supplier of personalized services and trusted guardians of personal data. Clearly, the public is less confident/trusting of large corporations generally in the wake of financial scandals and their contribution to the global economic crisis of the last 12 months. The counter argument to this statistic is that public perception of Banks has taken a unique downswing in the last 12 months so a disassociation between operators and banks may not be all bad news for operators!
- **82%** of AsiaPac operators believe they are most like an ISP (trusted with connectivity services) suggesting a greater acceptance of commoditization. **72%** of EMEA operators felt the same.
- A greater proportion (**22%**) of EMEA operators shared a more positive outlook on their perception as most like cable/satellite providers (trusted with entertainment services) than AsiaPac operators (**12%**).

THE AGE OF MOBILE MULTIMEDIA IS NOW

- **45%** of all survey participants say they already receive free, relevant multimedia on their mobiles. This represents a substantial leap up from last year's results where only **15%** of subscribers said they already received it.
- **39%** of this year's subscriber participants said they are looking forward to receiving free, relevant content on their mobiles, down somewhat from last year's high of **55%** of all subscribers looking forward to receiving free, relevant multimedia content but indicative of the transition being made to active users as supported in the statistics below.
- This year's results show a substantial leap in the number of subscribers that say they already receive free multimedia on their phones in EMEA (**42%**), compared to last year's **8%**.
- Similarly, AsiaPac figures show growth with **39%** of subscribers saying they already receive free multimedia content compared to last year's **21%**.

- **92%** of operators say they either already receive free, relevant multimedia content on their mobiles or are looking forward to doing so. This shows the multimedia opportunity is being championed in-house at a comparable rate to subscriber enthusiasm.
- AsiaPac operators have a slight advantage against EMEA operators with **91%** vs **94%** respectively saying the same.

CHALLENGES

- A cost conscious economy reveals the biggest hurdle operators need to overcome in addressing the mobile multimedia market is the perception of cost. **58%** of subscriber respondents say that they believe receiving multimedia on their mobiles would be too expensive. This figure is up considerably from last year's rating of **32%** thinking the same.
- **65%** of global operators agree that the expense is the biggest barrier for subscribers receiving more multimedia content. This clearly shows that new solutions must be sought by operators to monetize the evident enthusiasm for mobile multimedia at a cost acceptable to subscribers.
- AsiaPac operators show a greater awareness of this cost issue than their EMEA counterparts with **77%** agreeing cost is the biggest hurdle to receiving multimedia compared to EMEA's **56%** agreement amongst operators.
- **31%** of subscribers say they simply don't know what services are available, suggesting operators need to promote new services more aggressively to impact the market. This is an upward trend on last year's figure of **27%**.
- **29%** of respondents say that there is no type of services that they would want, suggesting either there is an insufficient range of services on offer or that again, the promotion of the service types is failing to impact the target audience. Last year's percentage of subscribers thinking the same (**15%**) shows the urgency with which operators need to act in order to entice subscribers to taking on new, *personally relevant* services.
- **28%** of subscriber respondents believe multimedia services would be too slow and cite this as a major hurdle to receiving multimedia content on their handsets. This shows the importance of launching new services which are fit for the network and handsets of the subscriber base - e.g. don't launch video streaming on 2.5G. This figure has more than doubled amongst subscribers in the past 12 months (last year's figure: **12%**)
- More EMEA operators agree with subscribers (**22%**) on this issue than AsiaPac operators who only scored **12%** agreement on the issue.
- In terms of other challenges, operators voiced Spam, or the perception of spam, as an important factor: "*Consumers receiving unwanted content when roaming abroad is a pitfall for operators*"

MOBILE ADVERTISING INCENTIVES

- Making mobile multimedia advertising work means operators will have to keep their finger on the pulse and that means offering incentives that resonate with subscribers. **43%** of subscribers say they would most likely forward on mobile advertising if the incentive was free talk-time minutes. This is good news for operators who are able to reduce their multimedia overheads and pass on these real benefits to customers. The number of subscribers who value free talk time minutes is growing – last year only **34%** of subscribers felt the same.
- This year, only **35%** of operators agreed that this was the incentive most likely to prompt subscribers to forward mobile advertising. Last year there was **60%** agreement that this was the most likely incentive amongst subscribers. This suggests that operators may be underestimating the value subscribers place on free talk time minutes as an incentive.
- **41%** of subscribers said they were 'Quite Likely' to forward on mobile ads in exchange for free downloadable music tracks, a rise on last year's figure of **30%** saying the same. This suggests that Operators need to forge new relationships with other industries or leverage local user generated content more effectively to make offerings like this work.
- This year, **55%** of operators agree with subscribers that a free downloadable music track is 'Quite Likely' to make subscribers forward mobile advertising, an increase on last year's **45%** agreement.
- **43%** of respondents say that as an incentive, free SMS is 'Fairly Unlikely' to prompt them to forward on mobile ads. This is a significant shift from last year's results (where only **30%** felt the same) and suggests the incentive stakes must be raised to make mobile advertising work.
- **45%** of operators agree with this opinion, far more than last year where only **15%** felt the same. This rise suggests operators are beginning to accurately quantify the value of SMS as an incentive in the mobile advertising opportunity.
- Discount coupons on branded services (e.g. Soccer PPV video) or consumable (e.g. 50% off voucher) are deemed as valuable offerings with **40%** of respondents saying this incentive is 'Quite Likely' to make them forward on mobile ads. Last year only **26%** of subscribers felt the same. The overall upward trend on these incentives suggests that more subscribers are likely to respond favorably to mobile advertising if the incentives are perceived to be valuable enough.
- Confidence in discount coupons is higher amongst AsiaPac operators than EMEA operators. This year, **82%** of AsiaPac operators said that this incentive was 'Most Likely' to make subscribers forward mobile advertising and **38%** of EMEA operators said it was only 'Quite Likely'.

USER GENERATED CONTENT

- Unsurprisingly, mobile has far to go to catch up to the popularity of online UGC sharing with only **17%** of subscriber respondents saying they share

UGC on their mobiles several times a week or more and **48%** saying the same about their online activities.

- This gap is narrowing, albeit slowly, and mobile growth in the last twelve months is more substantial than that of online growth. Last year only **7%** of subscribers shared UGC on their mobiles several times a week or more and **43%** said the same of their online activities.
- Of the less frequent sharers of UGC, the gap between mobile and online narrows substantially with **14%** saying they share UGC several times a month on their mobiles, and **18%** saying the same for online sharing. Last year **7%**, half the number of this year said they share UG on mobile several times a month and **26%** said the same for online sharing.

POPULAR MOBILE CONTENT

- **72%** of subscriber respondents say multimedia services relating to local information will be the most popular type of content in 3 years time. Last year, only **12%** of subscribers thought the same. This gives weight to the notion that personally relevant content on the mobile device is one of the most fundamental concepts to making mobile multimedia work and awareness of this has resonated strongly with the majority of subscribers in the last 12 months.
- **70%** of all participants agree news based content will be the most popular, again showing a substantial rise in agreement from last year's **15%**.
- This year, music and sports based content services share equal third place with a **61%** agreement rating amongst subscribers. Last year's agreement was **10%** and **11%** respectively. The substantially higher figures this year suggest subscribers are becoming more certain of the value they place on specific types of content than they were last year which saw comparatively flat agreement figures across all content types.
- Operators say news will be the most popular with **78%** agreement. Local Information scored **75%** agreement amongst operators as the most popular followed by joint third and fourth ranking of music and sport at **68%** and **67%** respectively. This suggests that the industry is forming a collective opinion of the types of services subscribers will favor in the coming years.
- **37%** of all participants believe price comparison will be popular, supporting the current price preoccupation during economically trying times. This is up substantially from last year's prediction which scored only a **9%** agreement amongst subscribers.
- Although services related to travel and holidays were up on last year's figures, they failed to make the big gains of other content types like news and local information. This year they scored agreement of only **24%** and **8%** respectively, compared to last year's score of **6%** and **3%** respectively.
- Banking and finance services have also shown a dramatic upswing, with **48%** of agreement, up on last year's figures of **14%**. This type of content

is predicted to incur heavy demand from subscribers as the global economic turbulence continues.

BEHAVIOURAL TARGETING

- **37%** of survey participants said they were concerned that their behavioral history may be used to target future campaigns but that they accept this as part of the process; a substantial rise from last year's figure of **15%** who thought the same.
- **31%** believe the use of behavioral history to target future campaigns is an acceptable measure and trust their operator to keep their data secure. A rise from last year's figure of **26%** who felt the same.
- Only **13%** feel very concerned and that the use of behavioral history compromises their privacy - Less than half the same number of subscribers as last year (**29%**).
- These overall findings are very encouraging for operators who are dealing with a far more accepting and compliant subscriber base on the issue of behavioral targeting than existed 12 months ago. Behavioral targeting will be essential in delivering consistently personal relevant multimedia services to subscribers.

TRUST ISSUES

- **64%** of survey participants believe that Operators are a trusted brand mark but need to prove their trust to customers. **52%** of Operators shared this view, suggesting that subscribers on the whole, had more favorable views of their operator than their operators believe. Last year **56%** of subscribers rated the trust they have in their operator as 'average' or 'high'.
- **20%** of subscribers disagree, saying they feel vulnerable and that their operator does not have a good understanding of their preferences and expectations. Fewer operators agree with this perception with only **12%** saying the same. These figures are much improved on last year where **44%** of subscribers rated their trust in operators as 'low'.
- **89%** of survey participants said it was very likely they would forward on a mobile multimedia message if that message was sent to them by a friend. **95%** of Operators agree. The figure for last year shows an increase in the number of subscribers that trust content sent by their friends (**81%**).
- **78%** said it was not very likely they would send on a multimedia message if that message was sent to them by a mobile operator, an increase on the **63%** that thought the same last year.
- Brands and Media companies fare marginally better than operators with **69%** of subscribers agreeing it was not very likely they would forward on a multimedia message sent to them by that brand or company (a slight increase on the **67%** who thought the same last year). **80%** of operators

thought that it was not very likely that people would forward messages from Brands or media companies.
