Mobile Advertising
MoCo June 24-25/2008 Moscow

What the advertisers need ?

Ad campaign methods of measurement

- **CPM - means cost per thousand impressions**
- **Click-through rate or CTR**
- **Cost Per Impression**
- **CPA - Cost Per Acquisition/Action**
- **……**

Information

- Targeting
- Timing
- Behavioral information
- Context and Location
- ……

Rich Media environment
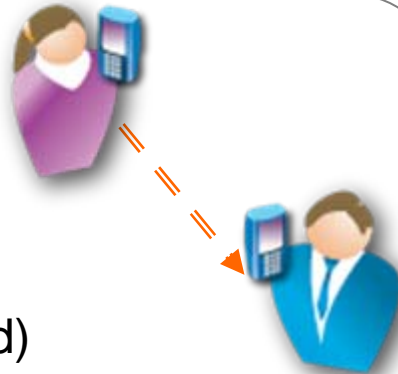
Mobile Advertising Advantages

Highly segmented, better targeted audience.

Effective coverage of young and active audience

Interactive channel: Engage and maintain dialog with the consumer

personalized advertising – viral messaging (Users promoting the brand)

Precise timing of the message delivery-

Higher relevancy,

Controlled frequency

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A Multi-channel, Telco-Oriented Mobile Ad Serving Solution

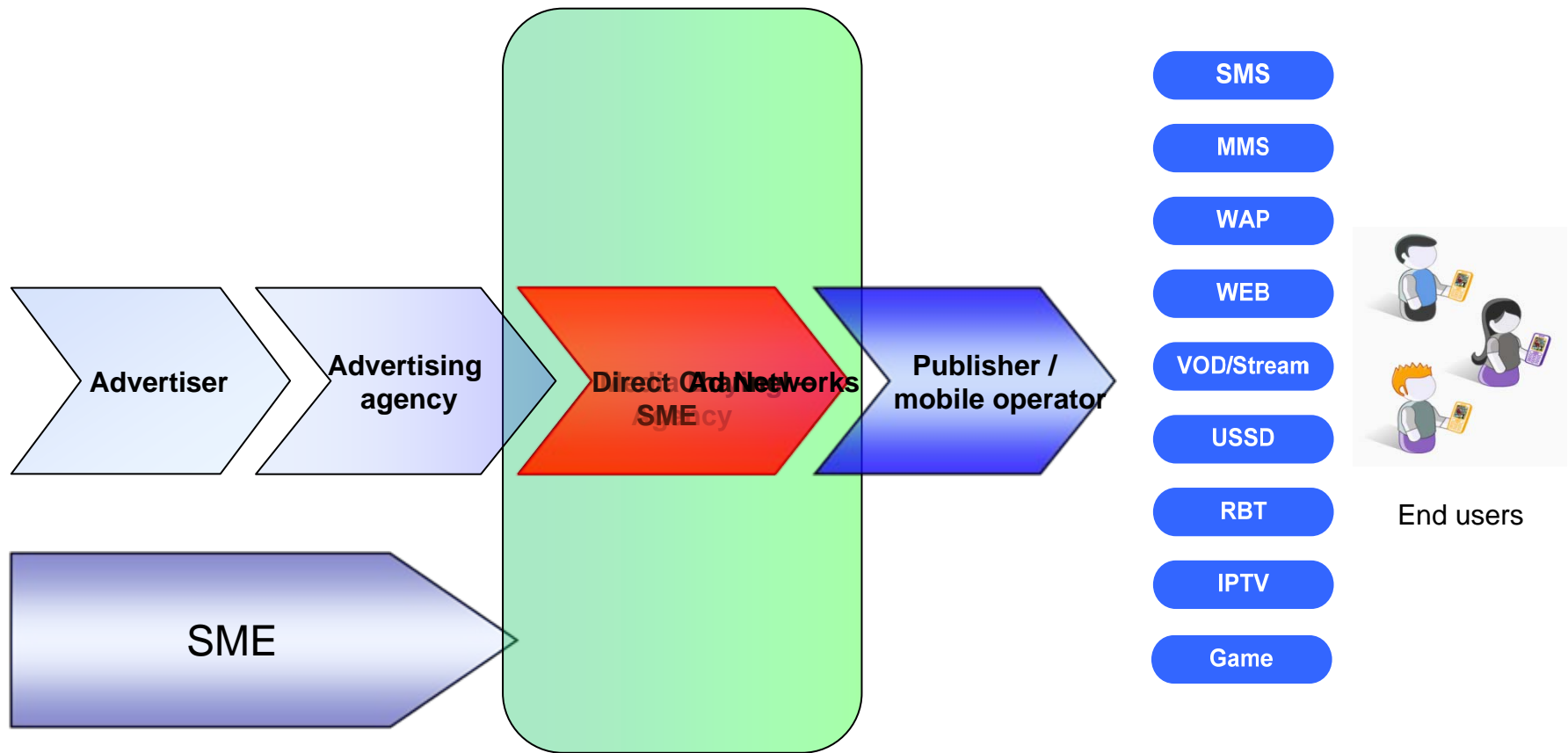|			
Ad Detection	**Ad Qualification**	**Work Flow Management**	**Campaign Management**
Ad Insertion	**Targeting**	**Reporting & Measurement**	**Multi Channel Ad Inventory**

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Campaign Structure – overcoming creative demands
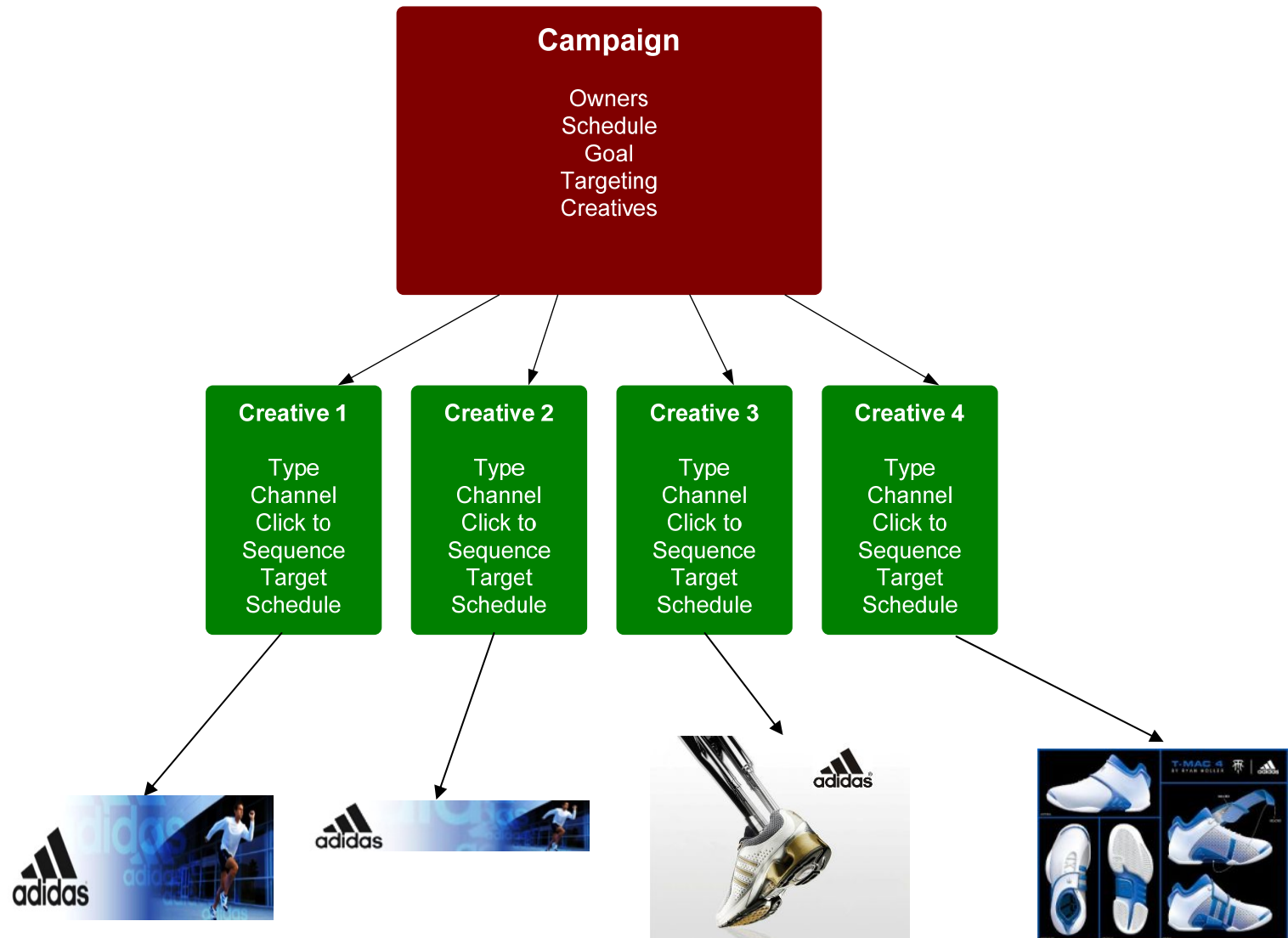
Supporting The Eco-System

Operator's Trafficker
Inventory Mng.
Campaign Mng.
Campaign measurement

Operator Sales rep
Inventory Mng.
Reservation
Projection

Service Admin
Policy
Configuration

Customer Care
Subscriber status
Subscriber activities
Control
Configuration

Ad Serving

Ad Agency
Advertiser

Reporting

B
B
D
O

Media Seller
Inventory Mng.
Reservation
Projection

Subscriber
Profiling
Service policy

Small businesses
Reservation
Bidding
Projection
Campaign wizard

Internal users | **External users**

A Dynamic Value Chain

Advertiser → Advertising agency → Direct Advertising Agency / Ad Networks / SME → Publisher / mobile operator

SME →

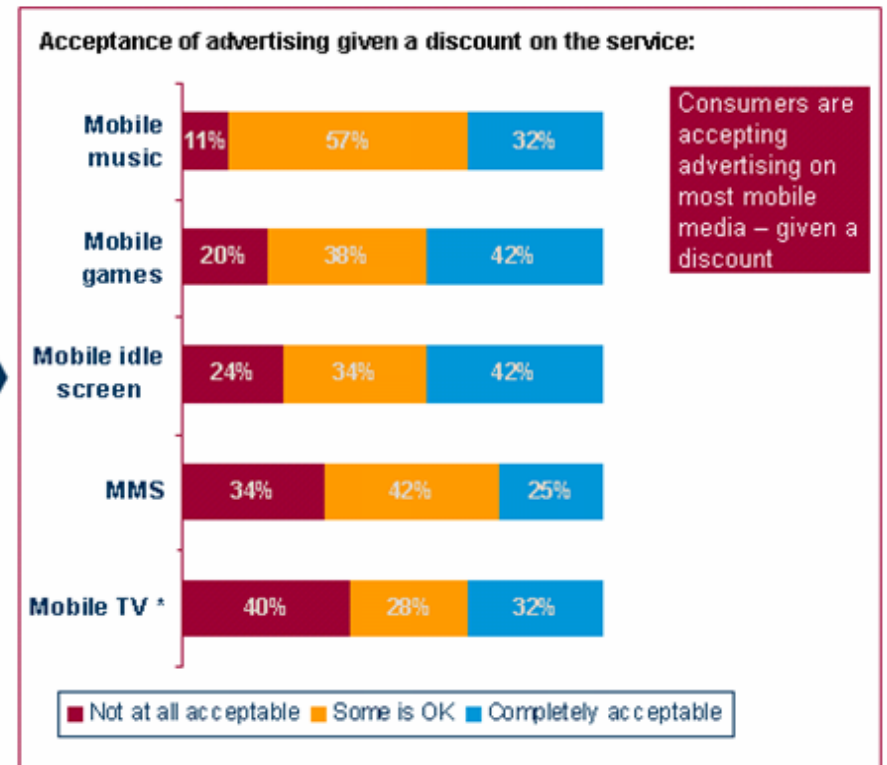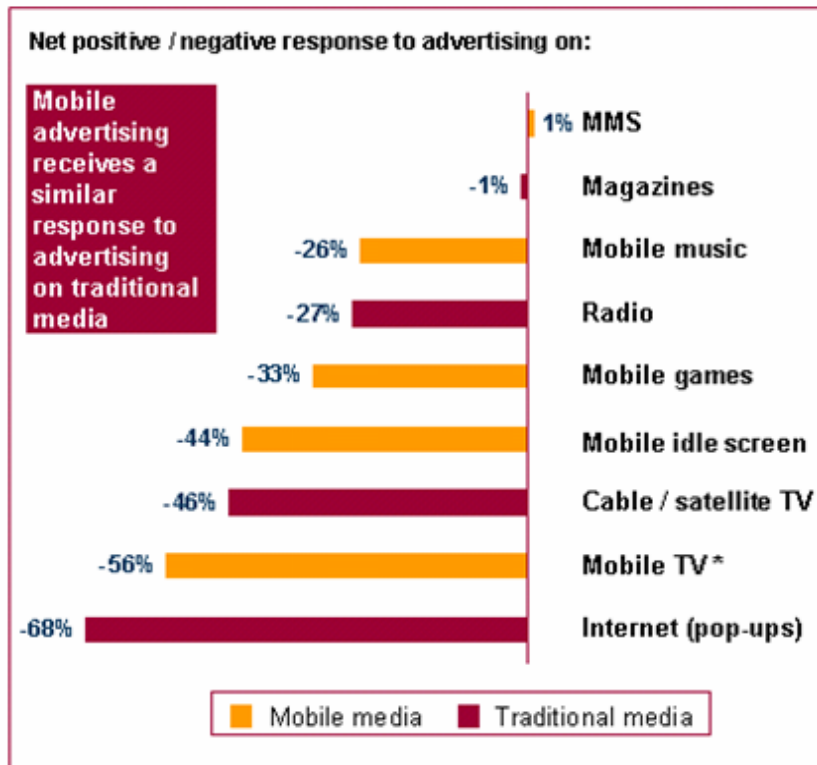Channels: SMS, MMS, WAP, WEB, VOD/Stream, USSD, RBT, IPTV, Game

End users

The complex Advertising value chain requires a unique Multi-Channel Ad platform to manage the diverse Ad-sales channels

Challenges Facing Mobile Advertising (Partial List)

- **Ever-growing variety of handsets**
  - Both legacy and high-end handsets on the market
  - Variety of capabilities for each (image/audio quality, multimedia capabilities etc.)
- **Variety of mobile applications and channels**
  - Browsing, messaging, streaming, download, games, etc.
  - Different multimedia capabilities for each (banner, video, slides etc.)
- **Network Limitation**
  - 2G – 3G: Bandwidth is limited (therefore expensive)
- **Screen-size, limited writing keypads…**
- **Privacy / Opt-In / Opt-Out**
- **Legal content-rights (advertising on off-deck content)**
- **Integration complexities (multiple vendors, multiple channels)**

Relevance for / acceptance by users

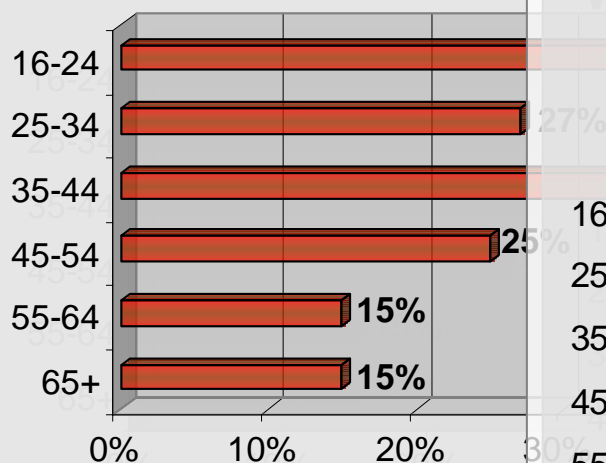No one loves ads - but if they add value, or amuse . . .   ▪

Net positive / negative response to advertising on:

Mobile advertising receives a similar response to advertising on traditional media

1%	MMS
-1%	Magazines
-26%	Mobile music
-27%	Radio
-33%	Mobile games
-44%	Mobile idle screen
-46%	Cable / satellite TV
-56%	Mobile TV *
-68%	Internet (pop-ups)

Mobile media Traditional media

Acceptance of advertising given a discount on the service:

	Not at all acceptable	Some is OK	Completely acceptable
Mobile music	11%	57%	32%
Mobile games	20%	38%	42%
Mobile idle screen	24%	34%	42%
MMS	34%	42%	25%
Mobile TV *	40%	28%	32%

Consumers are accepting advertising on most mobile media – given a discount
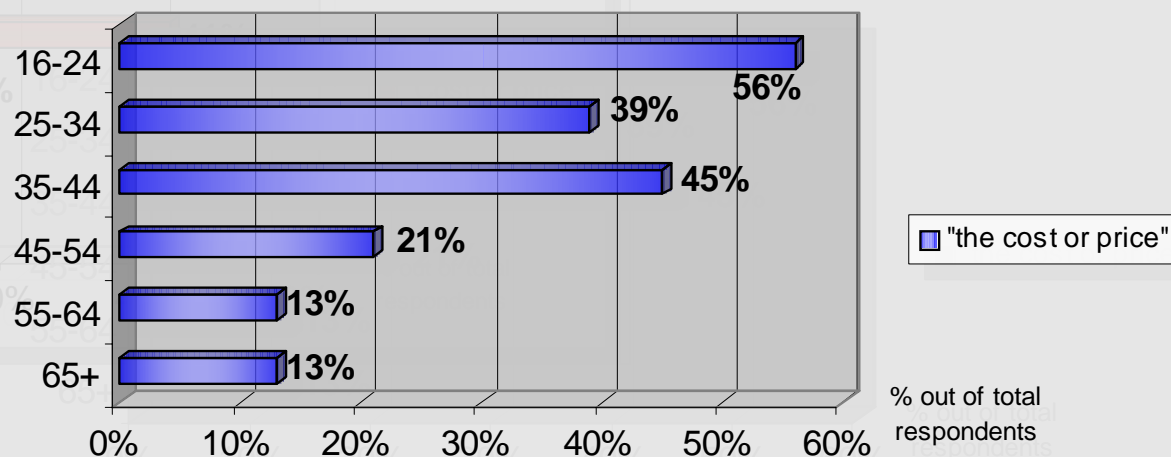
Ovum report, 2008

The advertisers' most appealing target audience is highly price sensitive

- **Age groups 16-24 (Blyk approach) and 25-34 would use more VAS, but price is a serious barrier for services' uptake**

What is the main factor preventing you from using more Mobile Video?

Age	%
16-24	
25-34	27%
35-44	
45-54	25%
55-64	15%
65+	15%

What is the main factor preventing you from using more MMS?

Age	%
16-24	56%
25-34	39%
35-44	45%
45-54	21%
55-64	13%
65+	13%

"the cost or price"

% out of total respondents

Source: Mobixell European Omnibus survey, April 2008

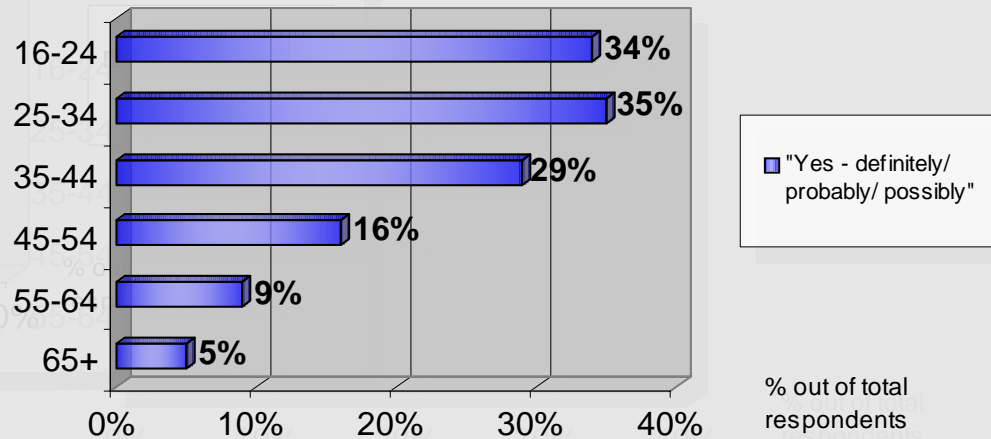**MOBIXELL** Advertising

This appealing audience is more than ready for Ad-sponsored model

- **More than 30% in Age groups 16-24 and 25-34 would use more MMS and mobile video in return for receiving ads within - an advertisers' dream!**

Would you be willing to use more Mobile Video in return for recieving relevant ads?

Age	%
16-24	31%
25-34	28%
35-44	25%
45-54	15%
55-64	8%
65+	4%

(0% 10% 20% 30%)
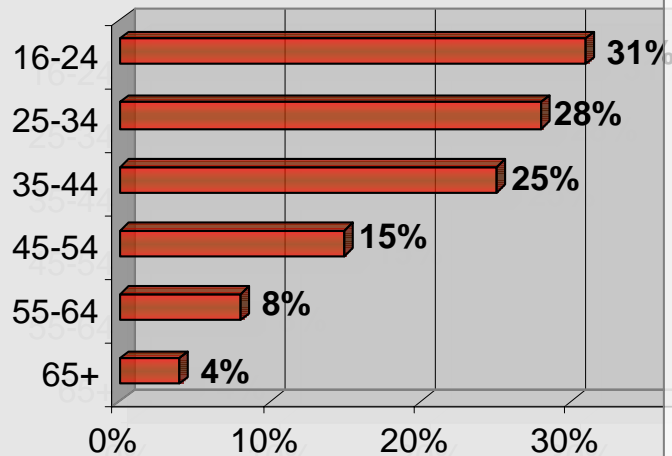
Would you be willing to use more MMS in return for recieving relevant ads?

Age	%
16-24	34%
25-34	35%
35-44	29%
45-54	16%
55-64	9%
65+	5%

(0% 10% 20% 30% 40%)

"Yes - definitely/ probably/ possibly"

% out of total respondents

Source: Mobixell European Omnibus survey, April 2008

Tuning Overall Subscriber's Experience

- Subscribers react positively to ads, as long as cost reduction is associated

- Relevant ads provide value, and set the scene for high interaction rates

- Some intrusiveness is acceptable, if there's some control

Cost Reduction

Intrusiveness

Relevance
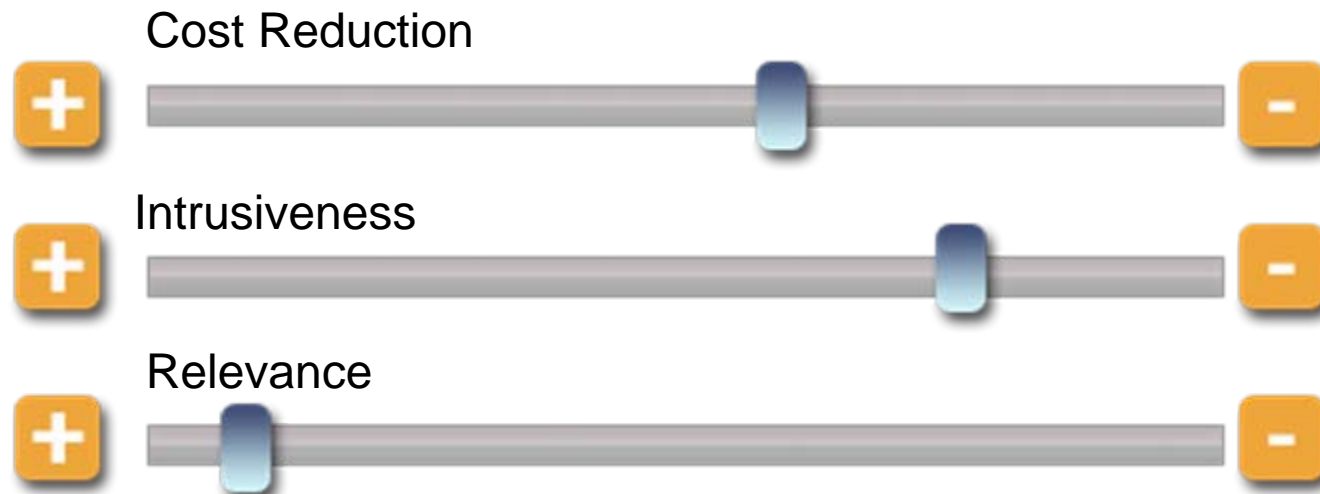
MMS Viral Marketing

| Provisioning Service management | Digital Fingerprinting Tracking Technology | Dynamic advertising / motivation slide | Advanced Reporting |

01.
Create a viral Ad/content repository

02.
Launch the Viral Effect

03.
Motivate Users to share

04.
Provide accurate behavioral-targeting reports

Ad/Content Platform

Liked it?
Forward it 2 yr mates, they'll get 25% of any dnd today!
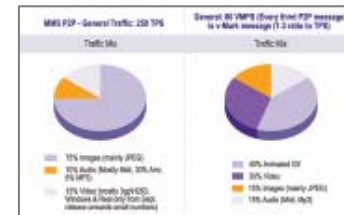
Reporting

A2P Push
Campaigns

Ad-
Sponsored
MMS Alert
Services

Ad-It MMS
Delivery
Channels

A2P Push Viral
Campaigns

Ad-Sponsored
MMS Service

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Messaging advertising in a multi-dimension world

Multiple Advertisers

Various Ads

Ad sales

Mobile Operator

Ad platform

Reporting and analysis

Multiple SMS / MMS Ads

Call for action, cross channel activity

Campaign/policy management :

Dynamic targeting, dynamic ad injection, policy rules

SMS / MMS Push:
Alerts, content delivery , P2P, Viral A2P

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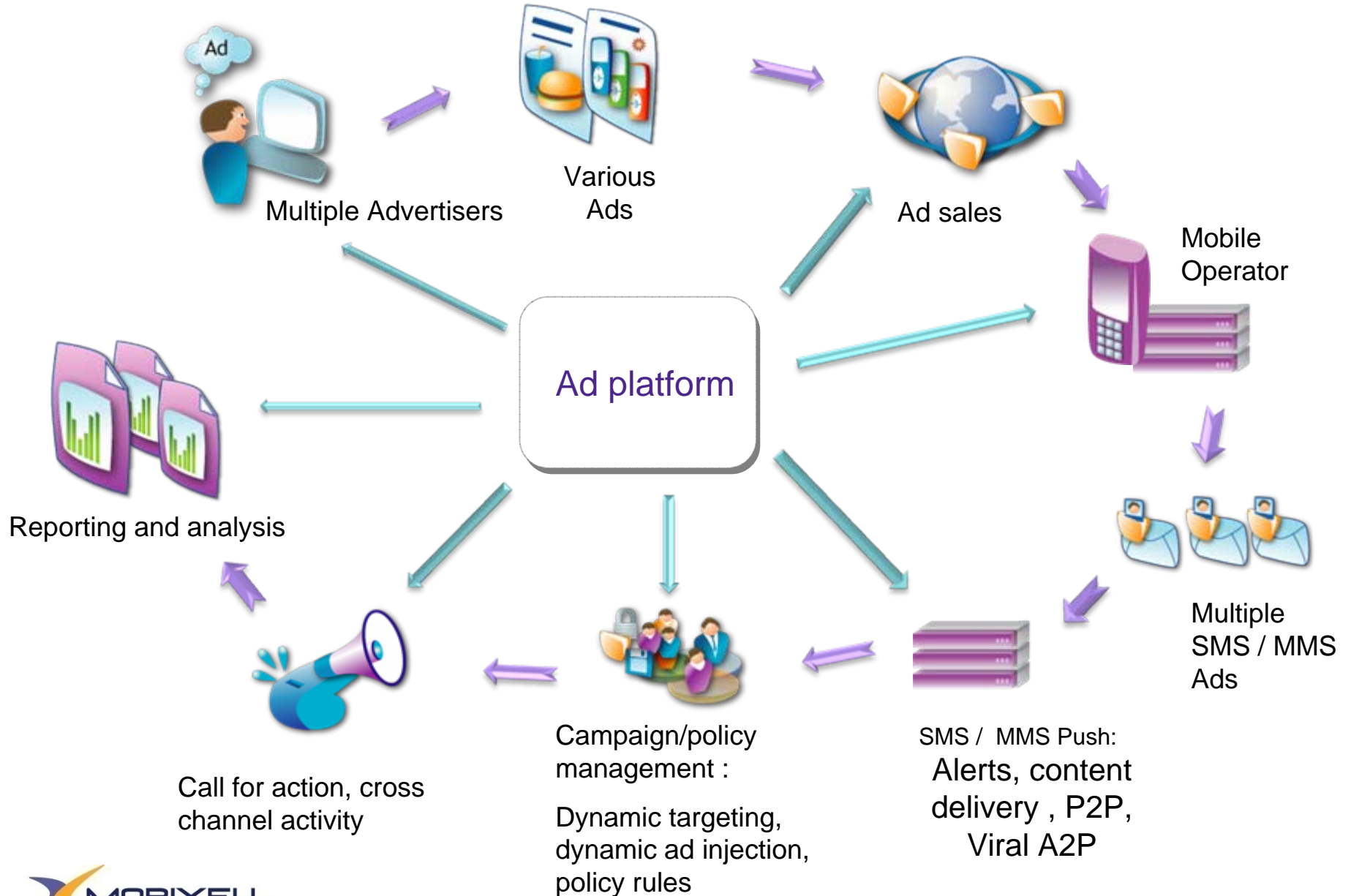
Multi-Channel Advertising is happening today

SDK   SDK
Partnership   Partnership
OMA member   OMA member

WAP

Free Browsing

On Deck

Banner & Interstitial

Video Streaming

Download

Mobile TV

VOD

Pre/Post-roll, Banner

(Overlay, squeeze down)

Messaging (SMS/MMS)

P2P, A2P, A2P2P2P

Pre/Post-roll, Banner, Text Ad

Client based

Idle-Screen, Gaming

Voice Channel

(IVR,RBT)

Audio pre-roll

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Orange France Ad-Sponsored MMS Service

2. User sends many low-cost MMS to many friends...

1. User is signed to Subsidized MMS Package

3. When the User receives an MMS, a targeted Ad is inserted

4. If a minimum number of ads was not delivered, Ad-It initiate push-MMS ad to the user

Service Description

- Users are part of an opt-in group –
  users who have signed-in for an Ad-Sponsored Service
  Package

- Service Package Examples:
  - Ad Sponsored P2P MMS
    - Reduced priced MMS (MO), Ads are received by the opted user on his incoming MMS
    - Optionally – Ads inserted on Text-Only Messages
  - Free MMS Alerts service, ad sponsored
  - 5 MMS A2P ads sent a month, forward for free
  - Minimal ad exposure is imposed

Key conclusions

- **Operators will eventually go for Multi Channel, advanced Telco grade Ad serving solutions**

- **New business models and sustainable revenue based on Ad sponsorship are already here**

- **User experience and relevancy of mobile ads is a key issue**
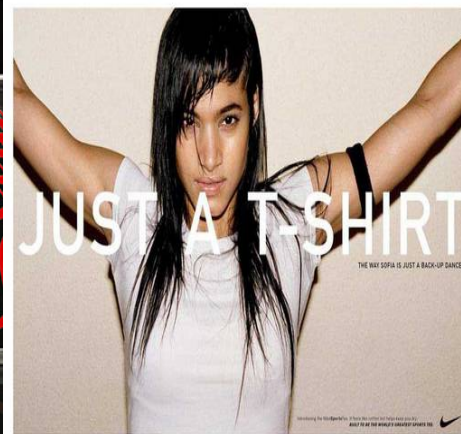
Mobixell Introduction

- Established December 2000

- Market: mobile multimedia and advertising solutions

- **Over 250 commercial deployments**

- 14 Patents (4 granted, 10 pending)

- ISO9001 certified since 2004

- Shaping mobile advertising:

  - Leading MMA sub-group on advertising in messaging

  - Member of OMA Working group on advertisement

- Marketing and Sales presence:
  - USA (Americas' HQ)
  - UK (EMEA's HQ)
  - China
  - Germany
  - Italy
  - Netherlands
  - Thailand
  - Hong Kong
- R&D: Israel

Mobixell's Mobile Advertising Activity

Mobixell has created a Mobile Advertising unit to leverage its multimedia capabilities in the Mobile Advertising Market

Mobile Multimedia BU

Mobile Video / Mobile TV
Mobile Messaging

Mobile Advertising BU

Multi-channel ad serving and delivery (**Ad-It**)

Mobixell's Sales force and Customer service

Questions?

July 08