

The Evolution of Mobile Content in the European Cellular Communications Market

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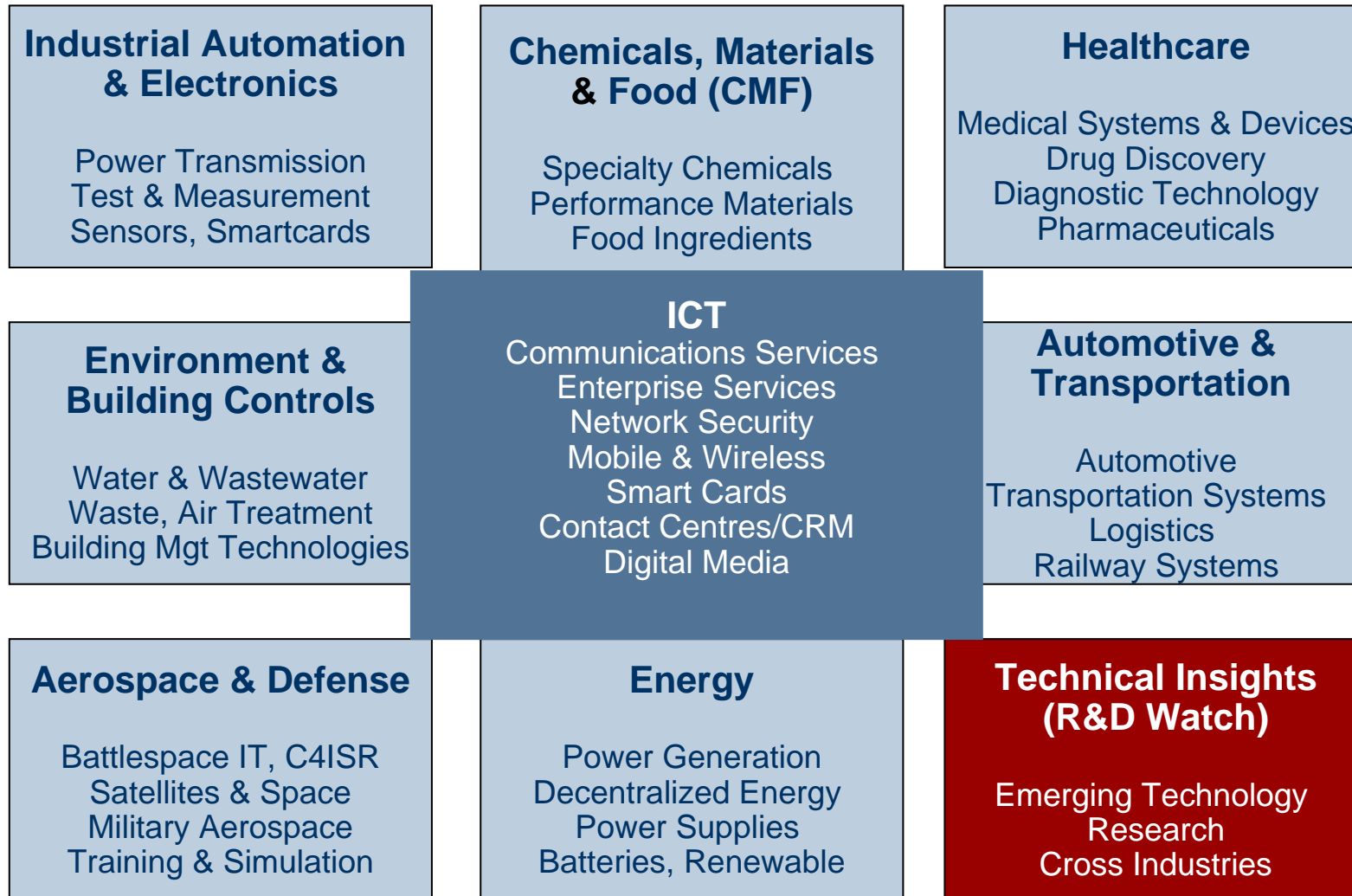
Agenda

- Introduction to Frost & Sullivan
- Objective of the presentation
- The status of mobile communications in Europe
- The role of content in European mobile communications market
- The emergence of new mobile content applications
- A new role for customers
- The future of mobile communications in Europe
- Conclusions

Frost & Sullivan: Global Growth Consulting



Frost & Sullivan: Industry Coverage

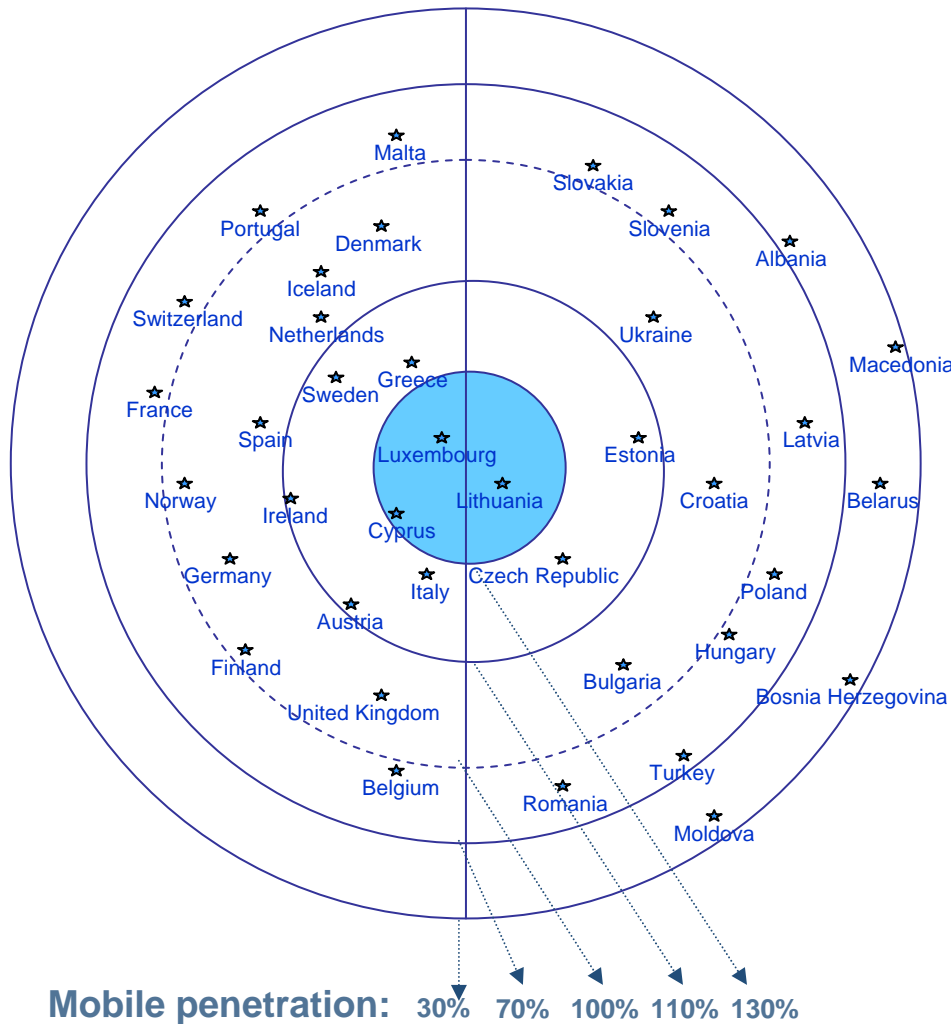


Objective

- Provide an overview of the European mobile communications market and the role of the mobile content.
- Illustrate the variety of mobile content applications and the changing role of consumers.
- Identify future paths for mobile content in the European market.

Towards a Mobile Europe: mobile market and the role of mobile data

Mobile Penetration in Europe

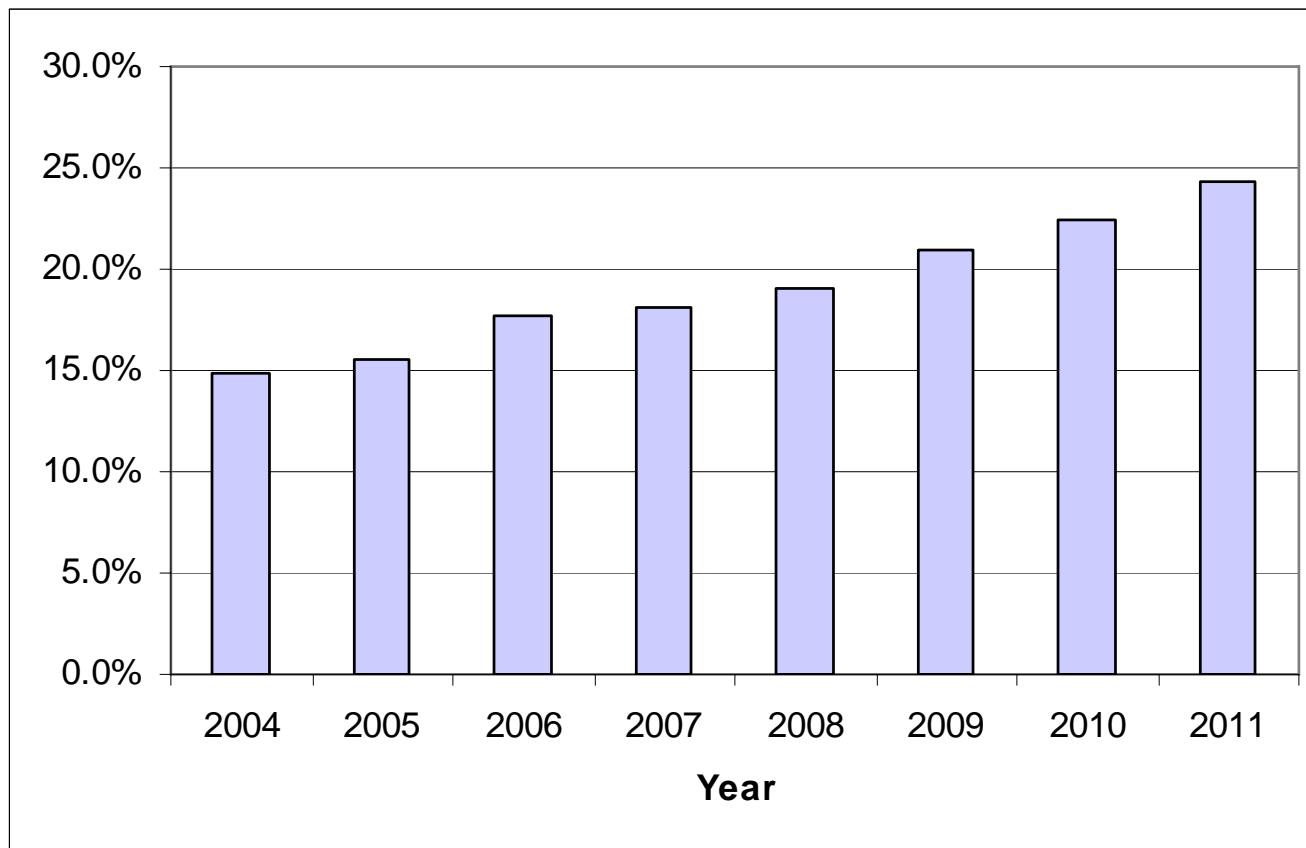


- **Saturated markets:** mobile penetration is equal or more than 100%.
- **Almost saturated markets:** mobile penetration is between 70% and 100%.
- **Transitional markets:** mobile penetration is less than 70%

Frost & Sullivan, 2006

Mobile Data Revenues – An European View

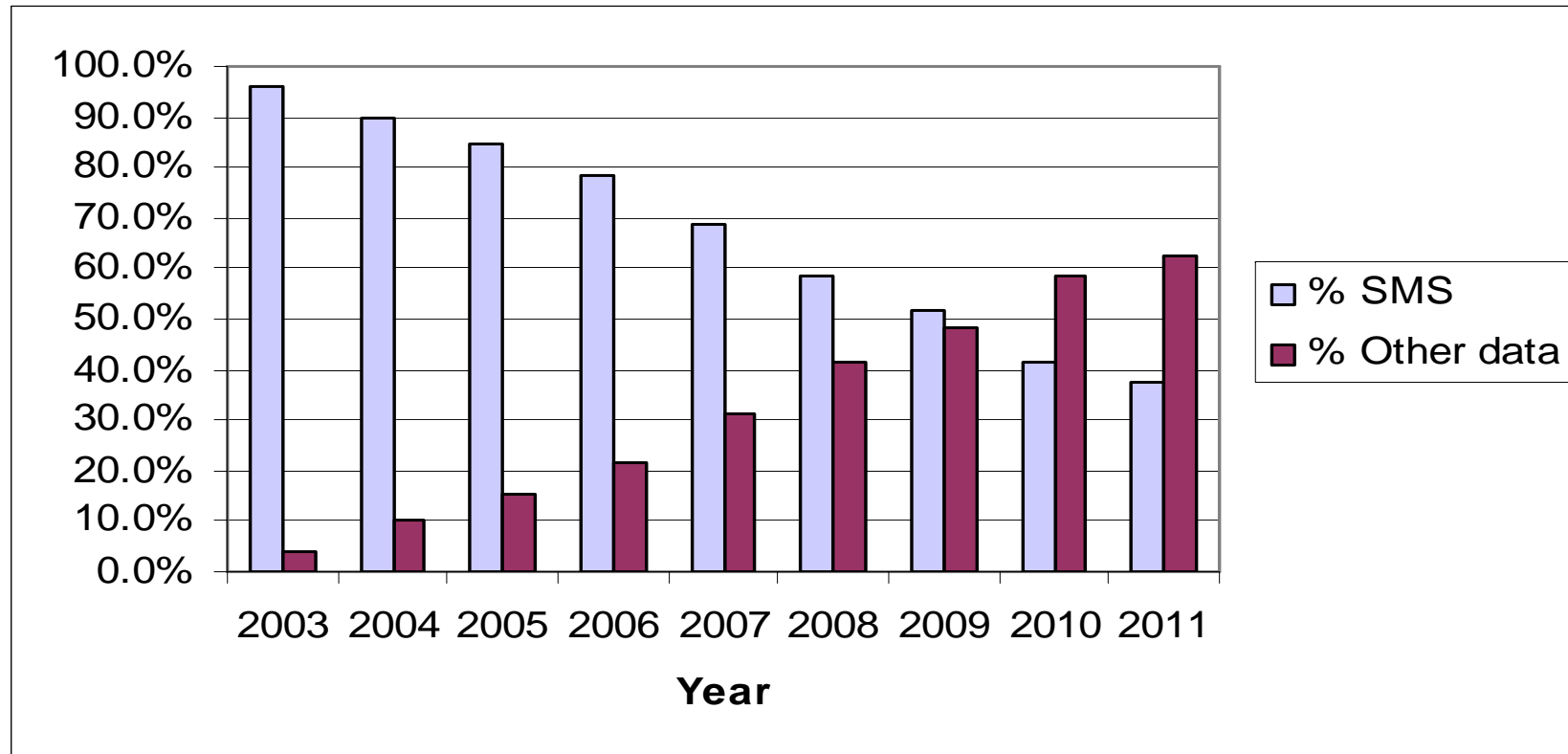
Mobile data revenues as percentage of total mobile revenue



Frost & Sullivan, 2006

SMS Revenues vs Other Data Revenue

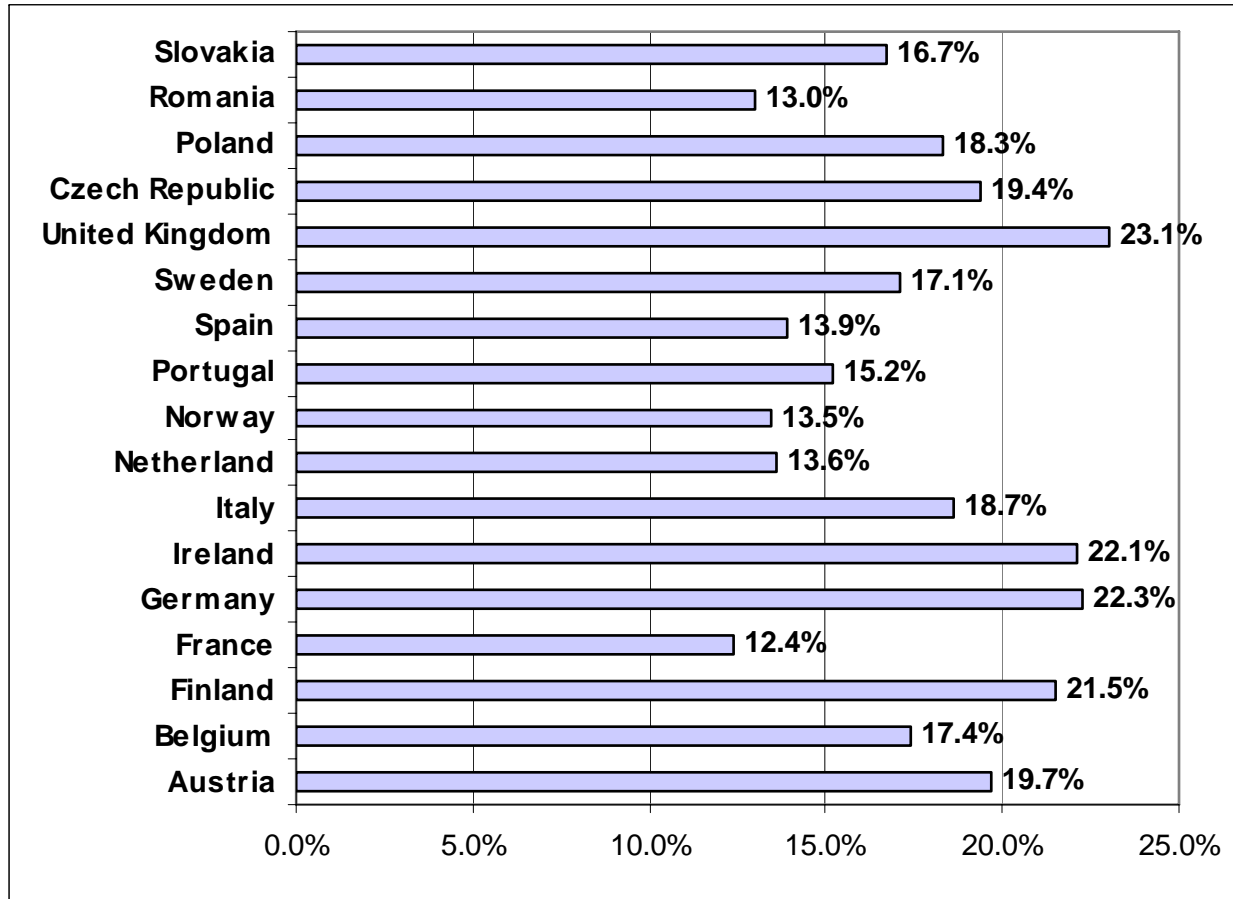
SMS revenues and non-SMS data revenues as percentage of total data revenues



Frost & Sullivan, 2006

Mobile Data Revenue – Country Analysis

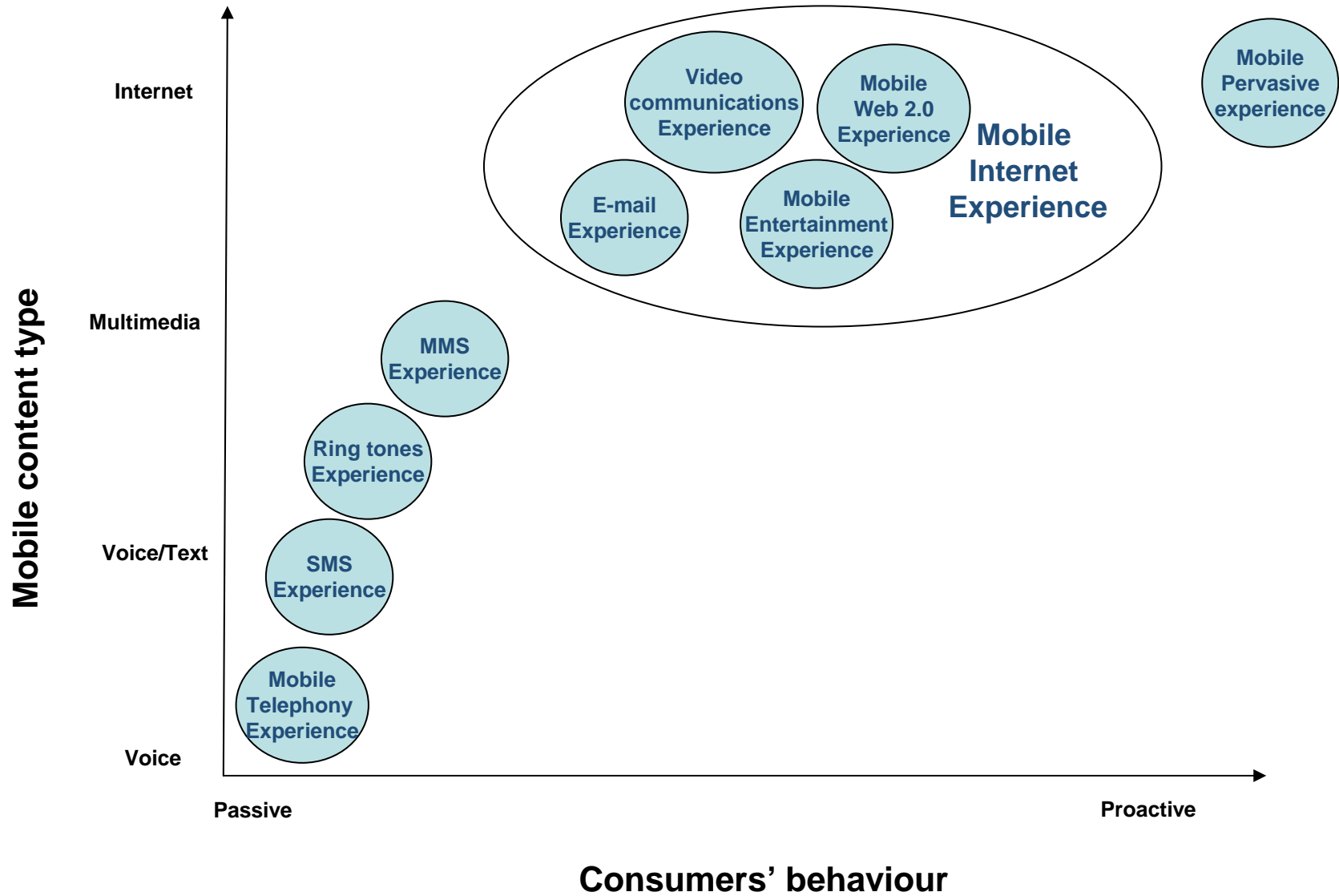
Mobile Data Services Market: Data-to-Mobile Revenue Percentages (Europe) .



Frost & Sullivan, 2006

The Evolution of Mobile Content: new applications and consumers' proactive role

Towards Mobile Internet / Pervasive Experience



Mobile Entertainment Experience - 1



Used by mobile operators in Portugal, Ireland, and Switzerland.



A vast library from major labels on almost 30 operators' phones in Europe.

vivendi



Nearly 4 millions titles downloaded in 2006.
A catalogue of 600.000 tracks.



Mobilni TV on O2 Czech Republic phones.



T-Mobile

Nine TV channels on T-Mobile phones.

Mobile Entertainment Experience - 2



TV, music, and other services on Vodafone mobiles.



Music and not only on 3 phones.



Audio books for mobile phone, 210 titles available.



Music, ring tones, wallpapers on Cosmote phones.



Games, ring tones on Meteor phones.



Zapp Meet-Me: teleconference from anywhere on Zapp phones.

User Generated Content and Social Networking

The screenshot shows the MySpace homepage with a navigation bar at the top containing links for Web, MySpace, People, Music, Blogs, Video, and More. Below the navigation is a search bar and a list of site features like Books, Chat Rooms, Games, Music Videos, Blogs, Comedy, Horoscopes, MySpaceIM, Careers, Filmmakers, Movies, and Schools. A prominent banner for 'MYSpace COMEDY' features a photo of a man with his hands raised. Other sections include 'MySpace Music' with a featured album 'The Academy Is...', 'Cool New People' with profile thumbnails for Gio, I HEART EVERYONE, and Michael, and 'Videos' featuring a 'Step Up Contest'.

The screenshot shows the Wikipedia homepage with a globe logo and the text 'WIKIPEDIA The Free Encyclopedia'. It features a 'Welcome to Wikipedia' message, a search bar, and a 'Today's featured article' section about Cape Town. A sidebar on the right contains 'In the news' and 'On this day...' sections. The page layout is clean and text-heavy, typical of an early 2000s encyclopedia website.

Web 2.0 generation



Mobile Web 2.0 generation

Mobile Web 2.0: New Actors

- Global play.
- The services provided are more valuable than the actual cost of delivering the service ...
communities drive actual revenues through ad sales, e-commerce and service upgrades.
- X-factor companies devaluing core products and establishing strong relationships with customers -
Starting a market position from a position of strong brand loyalty.



Mobile Web 2.0: Some Examples



Bebo social networking experience for Orange subscribers.



YouTube and Myspace as part of the Internet mobile Vodafone experience.



YouTube as part of the Internet mobile Telecom Italia Mobile experience.

Mobile web 2.0: Role of Consumers

Consumer habits changing from

Web habits

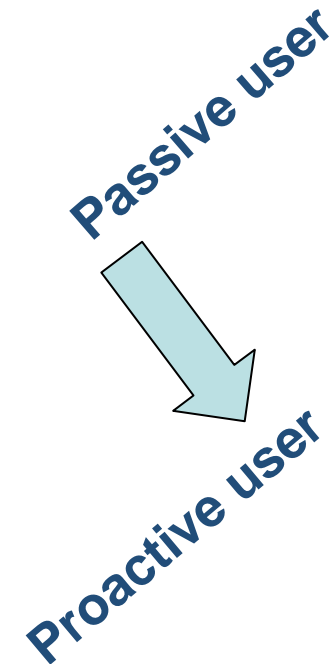
**SWITCH
SURF
SLEEP**

Mobile habits

**SWITCH
SPEAK
SMS**

to

**SEARCH
PARTICIPATE
PERSONALIZE**



The Future of Mobile Communications in Europe: the critical role of mobile content and the emergence of multifunctional usage

Mobile Market in Europe: a Possible Scenario

- An over-penetrated Europe with more than 30% of 3G/Beyond 3G subscribers.
- Extensive use of entertainment applications.
- A new social use of mobile communications: the advent of Mobile Web 2.0.
- Use of mobile devices as a multimode tool.
- There will not be a killer application, but a variety of customized services based on customers' needs.
- Customers as active part of the mobile chain.

Features of the Mobile Internet Experience

- SMS → Mobile blogging.
- MMS → Media sharing, video blogging.
- Operator portals → Mobile websites and mobile search engines.
- Push-to-talk → Mobile VoIP.
- Content consumption → Content creation.
- Java games → Mobile games communities.
- Operators-centric strategies → Customers-centric strategies.
- Customers as users → Customers as content users/producers.

Mobile Pervasive Experience



Mobile devices become multifunctional. Not only multimedia communications, but other usage, such as:

- Home automation applications,
- e-Health applications,
- Learning applications,
- Telematics.



Barclays.mobi allows customers to check accounts via mobile Phones.



Business Services



Machine-to-machines applications adopted by French mobile operators for business clients.

Future Frost & Sullivan Research

- European mobile communications market outlook.
- Mobile security.
- Mobile content.
- Broadband wireless technologies.
- Pervasive wireless devices and applications.
- Regulation in mobile and wireless communications.
- The impact of mobile and wireless technologies on environment.

Contacts

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Thank you very much