



# Mobile Search & Advertising

## *How to Maximize Mobile Operator Revenue*

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## The Opportunity for Mobile Operators

How Carriers Enhance Search & Advertising

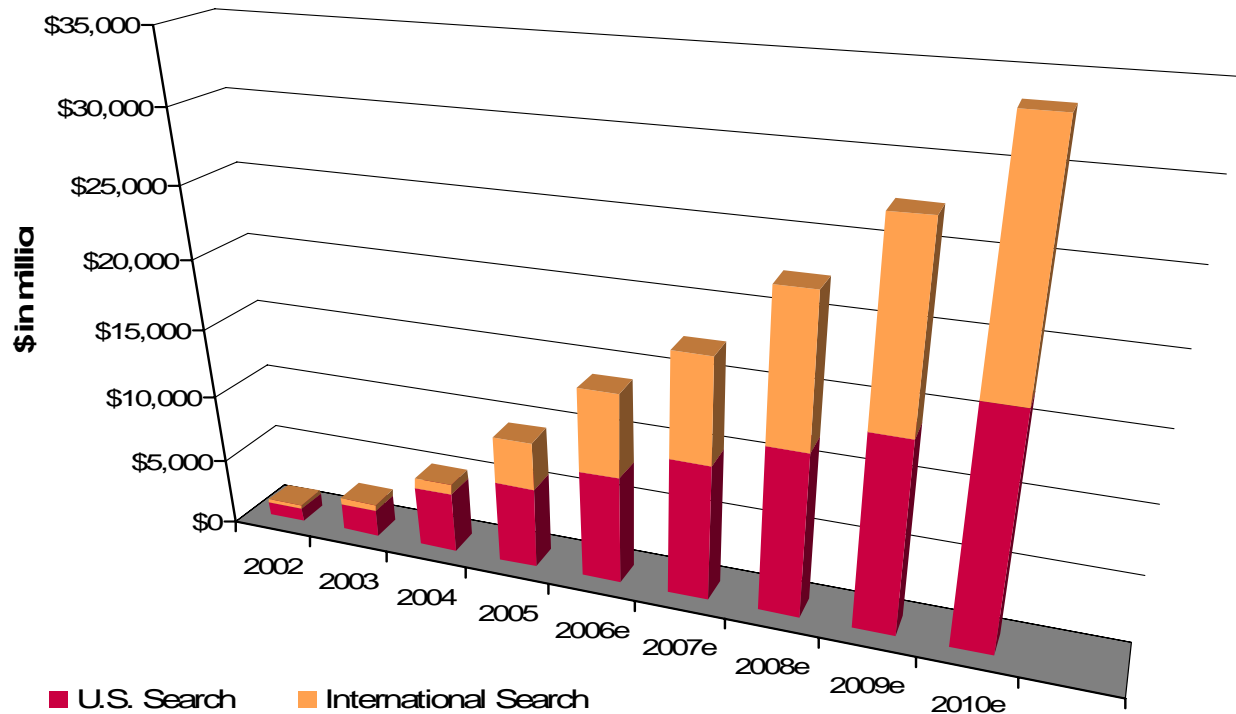
Subscriber Experience

Who are Mobile Advertisers?

About JumpTap

Global search revenues will exceed \$30 billion by 2010.  
Mobile search is expected to exceed \$5 billion

→ Global Search Revenues will exceed \$20 billion by 2008 according to securities firm Piper Jaffray.



Source: Piper Jaffray & Co. estimates

- **"The mobile advertising market should be more successful than the fixed market"**
  - Eric Schmidt, Google
- **In Japan, Google makes more money from its mobile ads than it does from ads displayed on personal computers**



- RBC Capital forecasts US growth from \$45 million to \$1.5 billion by 2010
- Ovum predicts \$1.3 billion by 2010 in the US
- Jupiter Research predicts \$900 million by 2010 in Western Europe

**Exhibit 43: RBC Mobile Marketing Advertising Revenue Forecast**

Year	Installed Base: WAP Enabled Handsets (MM)	Y/Y	Frequency: Ads Per Week	CPM	Y/Y	Total Revenue (\$MM)
2005	130		1	\$7		\$47
2006	150	15%	2	\$9	25%	\$136
2007	170	14%	3	\$11	24%	\$288
2008	193	13%	4	\$13	23%	\$535
2009	216	12%	5	\$16	22%	\$913
2010	239	11%	6	\$20	21%	\$1,472

Source: RBC Capital Markets

# As the wireless industry matures, carriers risk losing the ability to capitalize on mobile data traffic

Data traffic has become more important for carriers...

...but traditional internet search players may be positioned to gain the most

## CURRENT ENVIRONMENT

### Wireless industry enters period of market maturity

The overall wireless penetration rate in the United States reached 69% by year-end 2005, according to latest available figures

slightly more than 90% of the telecommunications companies' subscribers as of the quarter. Cingular and Verizon Wireless

Data revenues have become an increasingly important component of wireless ARPU. In April 2006, industry leaders predicted that data services would make up 20% to 30% of total wireless revenues by 2010, according to research firm Global Insight. Although the United States has lagged behind Europe and

Source: Standard & Poors, September 2006



## → **Serve all types of queries**

- Subscribers seek more than downloadable content
- Queries include local search, mobile friendly websites, and much much more
- When subscribers do not find something, they use other search services

## → **Leverage Carrier Data to Drive High Relevance**

- Search, Click, and Purchase History
- Subscriber Demographic
- Location

→ *What are the most promising key technologies for mobile advertising? Behavioral targeting*

## → **Make Search Easy to Access**

- WAP / Web: Portal Placement, Storefront Placement
- Browser: Preconfigured with default search provider
- Handset: Application Download, Preinstalled, Idle screen

## → **Educate Subscribers**

A JumpTap case study, based on 1 million users and 5 million searches in May 2006 found that...

→ **Search is a sticky application**

- 66% of end users searched more than 2x

→ **End users spend more time searching than browsing**

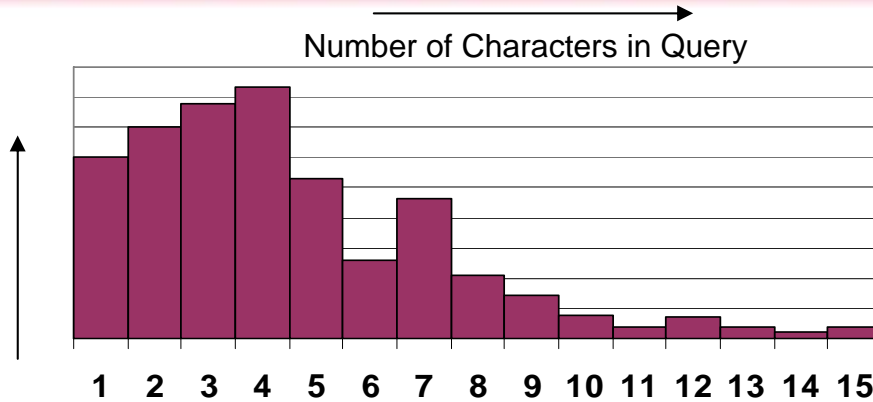
- 55% searched longer than a minute

→ **Search drives repeat content sales**

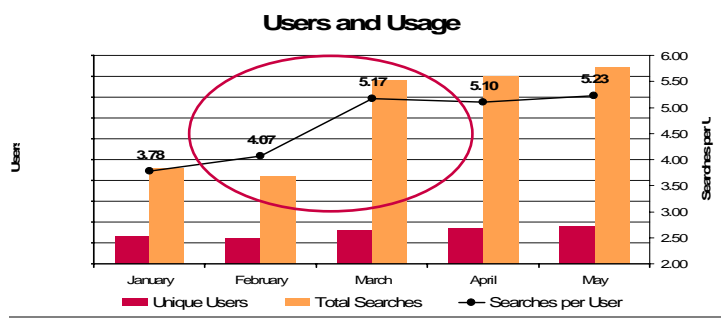
- 27% of users made more than one purchase



# Key differences between mobile search and traditional search driving the market for specialists

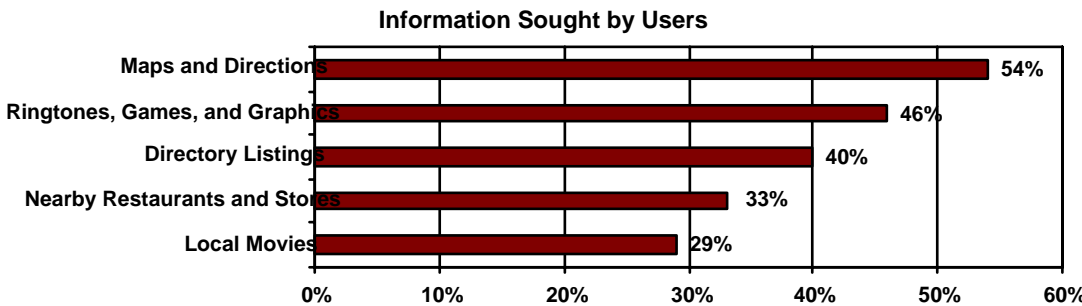


- Queries hard to enter and typically very short
  - Disambiguation and auto completion more important
  - Voice input is a valuable tool



Moving the search box above the fold doubled usage

- Screen space precious
  - ‘Fall off’ below the fold is high
  - Designs must be compact and concise



Source: Mobile Marketing Association, Mobile Search Consumer Insights Research Report, August 2006

- Mobile content, local services are key
  - Highest consumer demand
  - Provider, billing integration important

The Opportunity for Mobile Operators

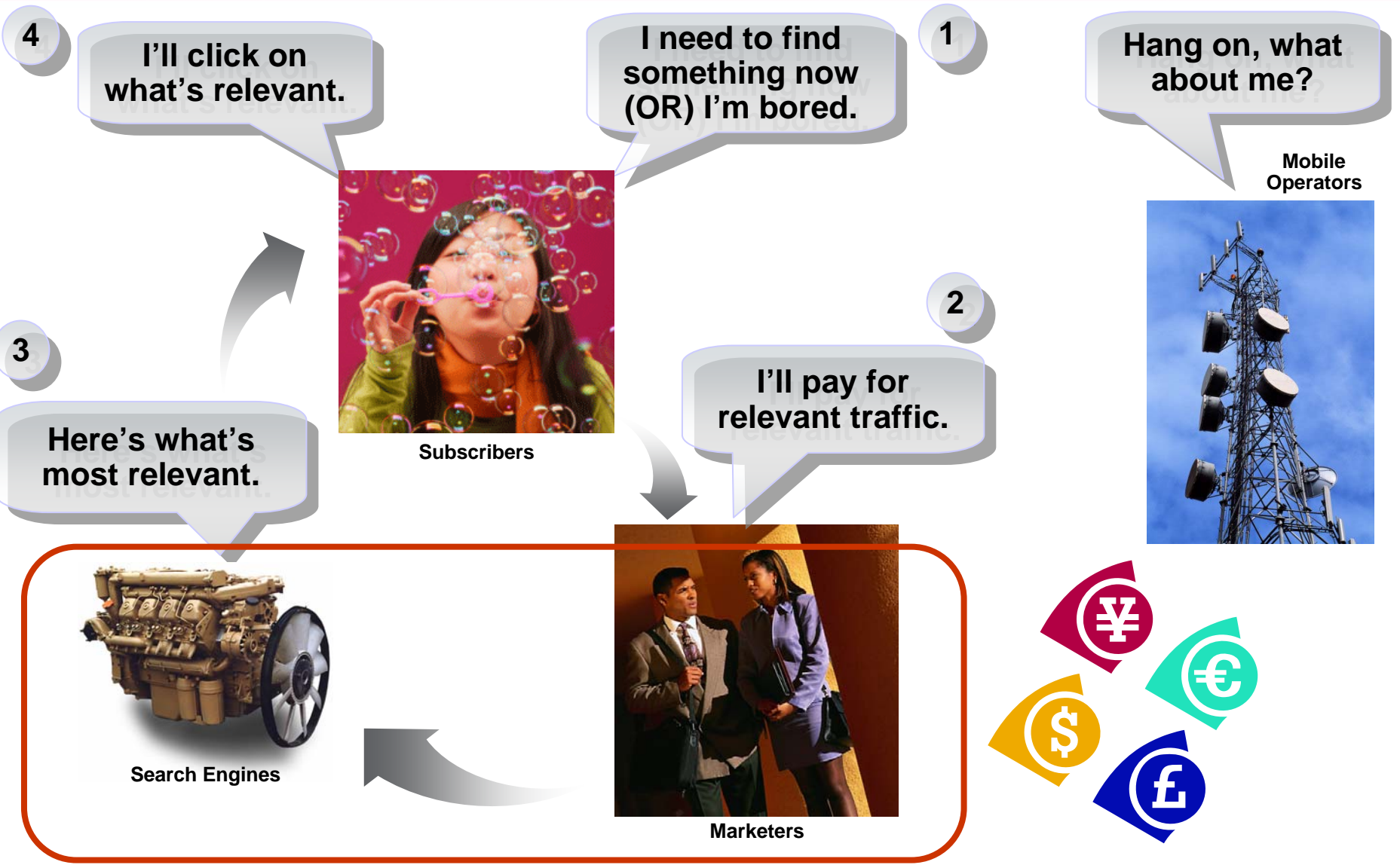
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# Who makes money?





## Pay-Per-Click

(Online)

Range: 5¢ to 5 \$

Average: 40¢

- Billing partner mobile content
- Out-of-garden mobile content
- Mobile web site redirection

## Pay-Per-Call

(Online)

Range: \$2 to \$35

Average: \$7

- Typically Local Search query
- Provides LBS monetization
- Merchants will pay 10x more

## CPM

(Mobile)

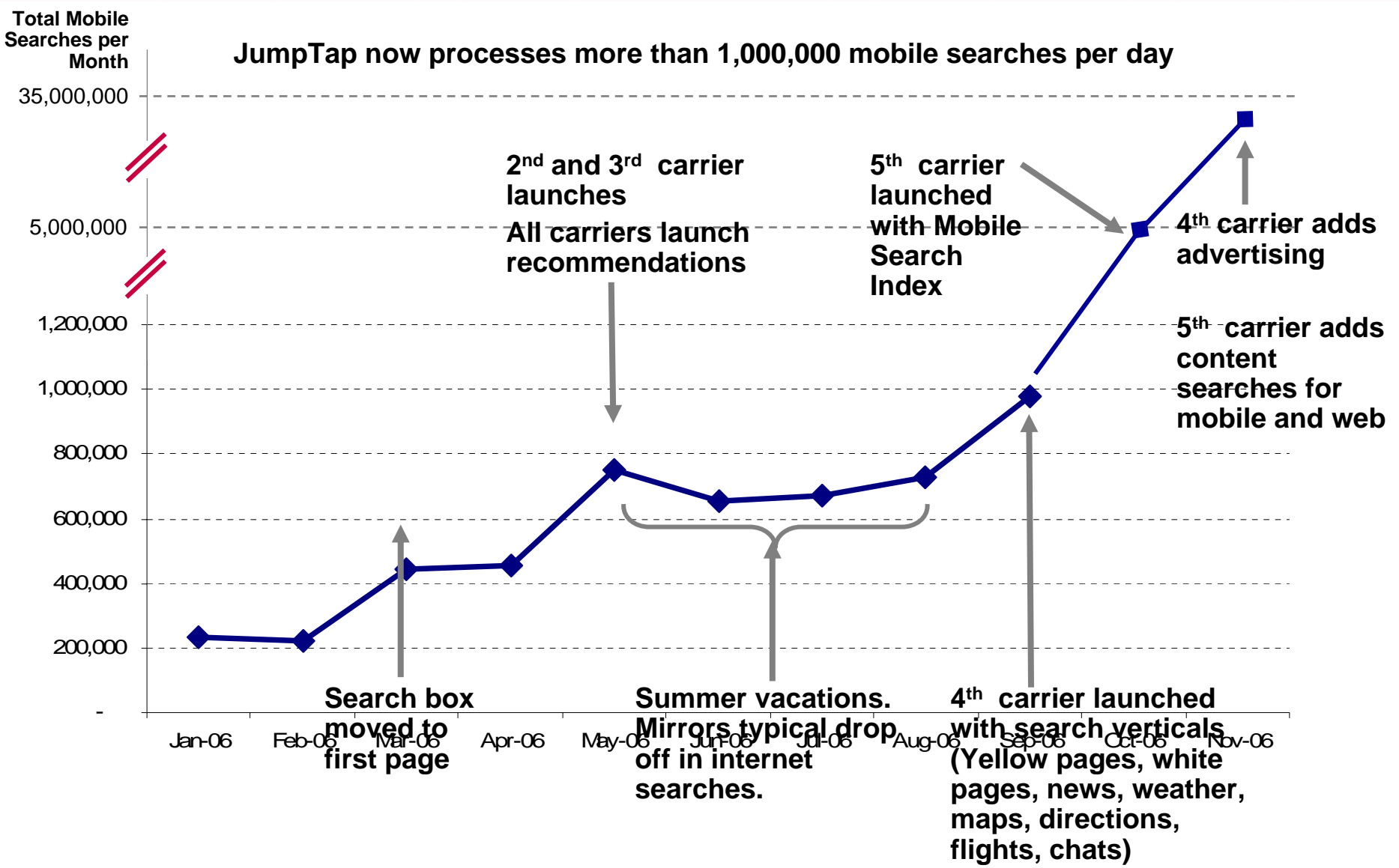
Range: \$20 to \$40

Average: \$15

- Paid per thousand impressions
- Banner Advertisements
- Interstitials

→ *JumpTap delivers proven economic models from the Internet to mobile operators.*

**JumpTap now processes more than 1,000,000 mobile searches per day**





Banner Ad	CTR
Maps	3.69%
Directions	2.47%
Sports	2.15%
Flights	1.86%
News	1.84%
Yellow Pages	1.43%
White Pages	1.41%

- As part of our efforts to help mobile operators market mobile search to their subscribers, JumpTap has created mobile banner ads to drive search behavior
- The table to the left shows the click through rates for each ad
- These click through rates are much higher than average internet click through rates (~1%)
- The click through rates may represent interest in specific search verticals

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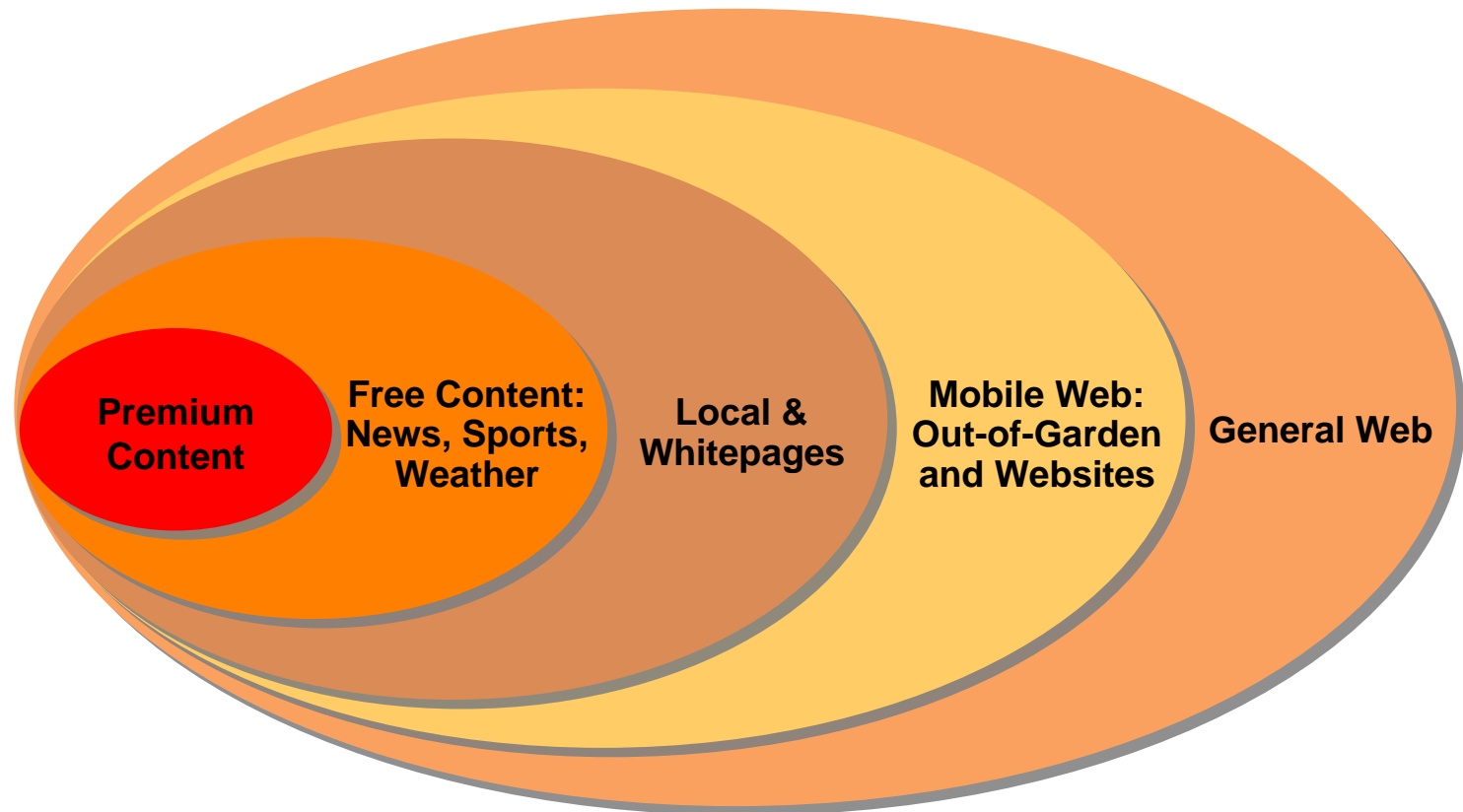
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→ Capturing search revenues requires the ability to serve end user search queries.





- A searchable index of mobile sites with editorial optimization
- Spiders crawl the public internet and site owners submit their sites for inclusion
- Content found on these sites is designed for mobile
- Consumers receive more relevant results when they search
- Opportunity is created to attract more advertisers and advertisements

## → **Untargeted advertising is rejected by consumers**

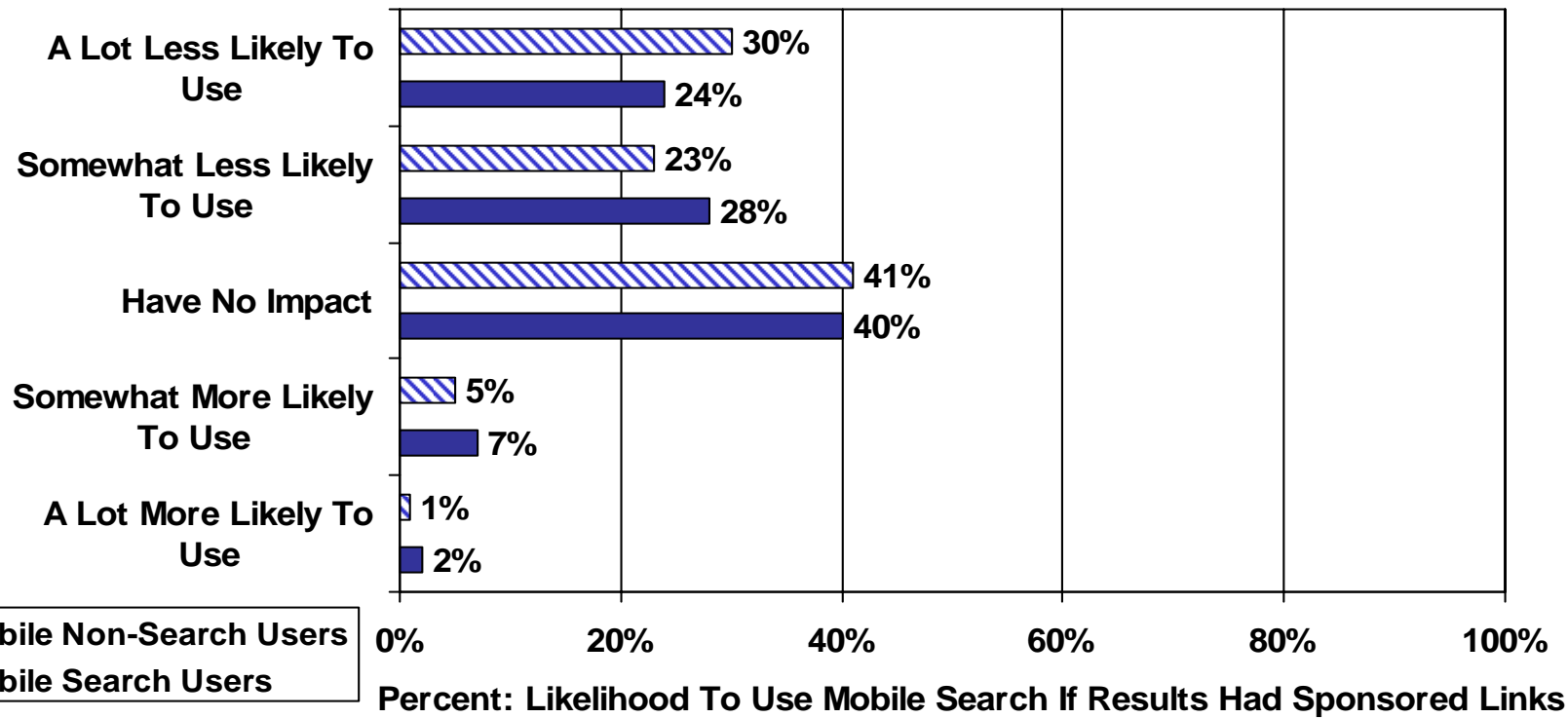
- **59%** of US consumers feel that most **advertising has little relevance** to them (Yankelovich, 2004)
- **57%** of consumers find TV **commercials “annoying”** (Havas MPG study, 2004)

## → **Relevant, pull-marketing is accepted by consumers**

- **70%** of searchers **accept paid results** as part of the search experience (Pew Internet & American Life Project, 2005)



- ➔ Approximately 41% of all respondents indicate that providing Sponsored Links on Mobile Search would not have an impact on their use of mobile search.
  - This would tend to indicate that Sponsored Links are **not** a deterrent to consumers and could be an opportunity for sponsorship revenues.

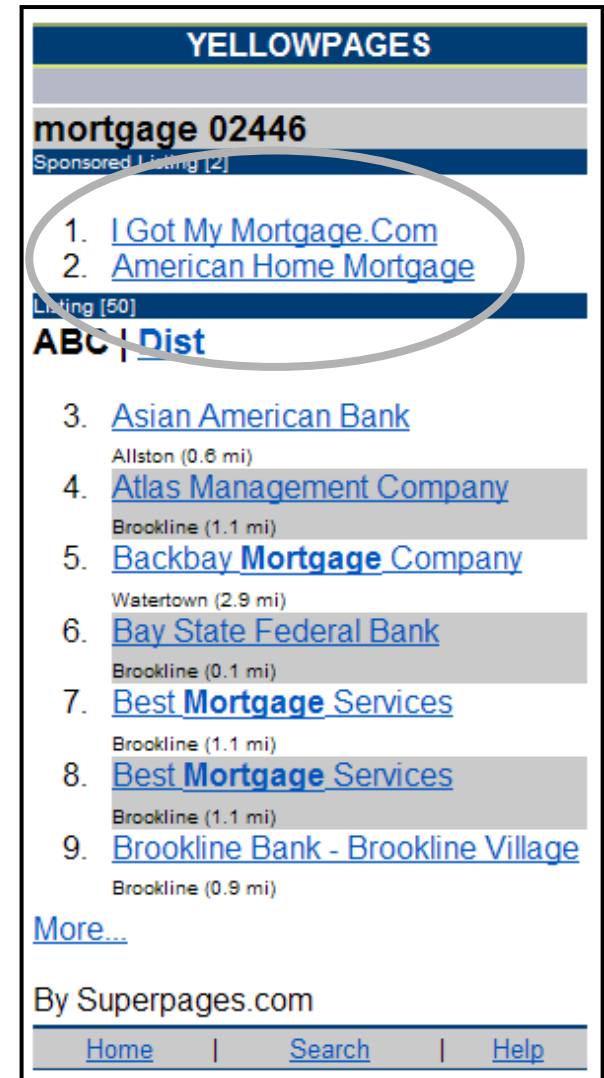
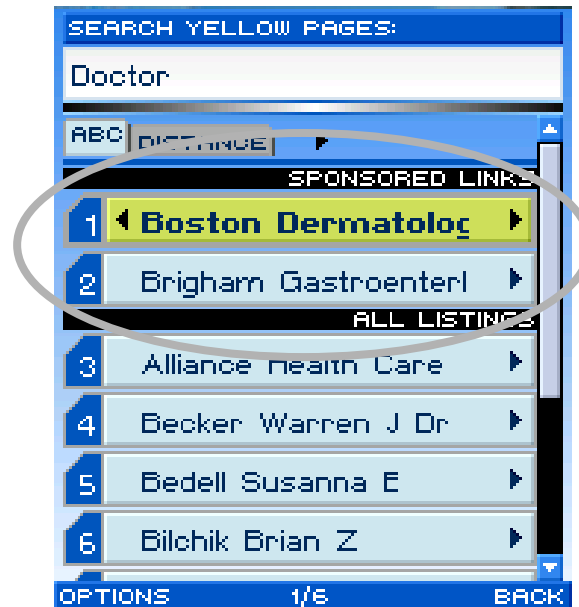


- Limited screen real estate
- Relevant user offers
- Selecting performance vs impression inventory
- Maximize ad revenue

- *Right ad*
- *Right place*
- *Right time*



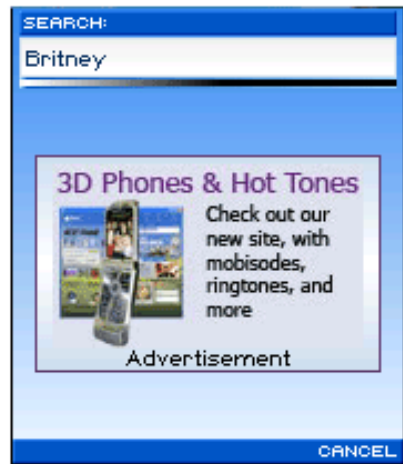
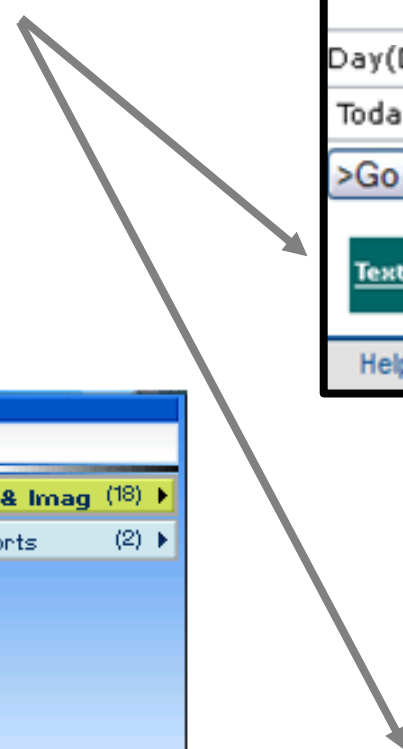
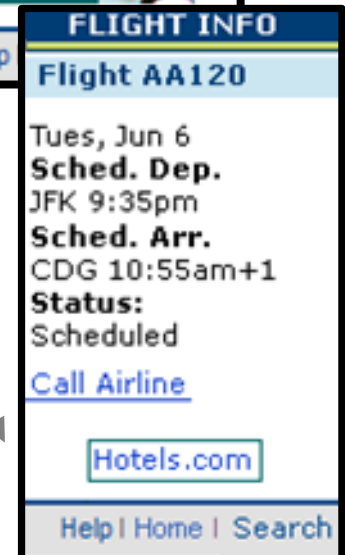
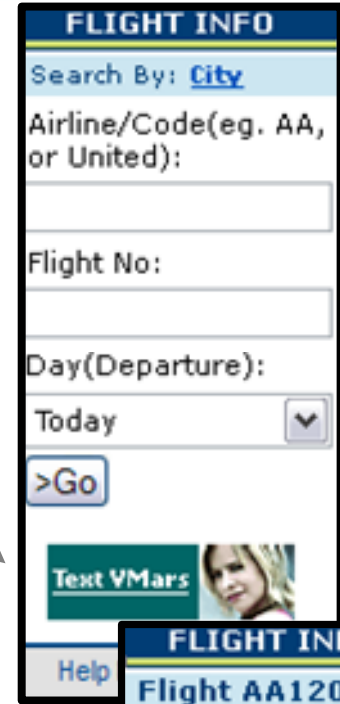
- Most relevant to the query
- Pay-per-click or pay-per-call
- Clearly marked as Sponsored



- Measured in impressions
- May be clickable
- May be contextual

Banners

Interstitials during network access



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#	ARTIST	SONG NAME	PREVIEW	GET IT
#1	Shakira feat... Hips Don...			
#2	Chamillion... Ridin'			
#3	Nelly Furtad... Promiscuo...			
#4	Yung Joc	It's Goin' Down		
#5	Daniel Powter	Bad Day		
#6	Fort Minor	Where Do You Go		
#7	Rihanna	SOS (Rescue Me)		
#8	Kelis feat. Too Short...	Bossy		
#9	Rihanna	Unfaithful		
#10	Sean Paul	Temperature		

## Ringtone

Freefonezone	\$0.97
All4Txt	\$0.71
Mobizzo	\$0.70
Thumbplay	\$0.70
Fun4YourFone	\$0.62
FlyCell	\$0.60
FreeRingers.net	\$0.58
Blinko	\$0.57
Amazingly-Free.com	\$0.56
DailyPopGossip	\$0.55
Polytones.net	\$0.51
Eztracks.aavalue.com	\$0.51

## Mobile Wallpaper

Mobizzo	\$1.00
Dadamobile	\$0.25
Verizon	\$0.16

## Ring Back Tone

Dadamobile	\$0.51
Cingular	\$0.43

## Mobile Game

AbondonMobile	\$0.35
CellRewards	\$0.31
Ampd	\$0.30

## Funny Ringtone

Mobizzo	\$1.00
Thumbplay	\$0.81
Cingular	\$0.80
ioMadServe	\$0.79
Ringtone.com	\$0.36

## Adult Mobile Wallpaper

Ringtone itch	\$0.12
PigMob	\$0.12

## Mobile Sex

Atruedate.com	\$0.20
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→ *Mobile content providers already use search marketing to reach mobile subscribers via the Internet.*

## → Revenue

- Average subscription            €9.99 per month
- Customer lifespan                4 months
- Total customer revenue        **€ 40**

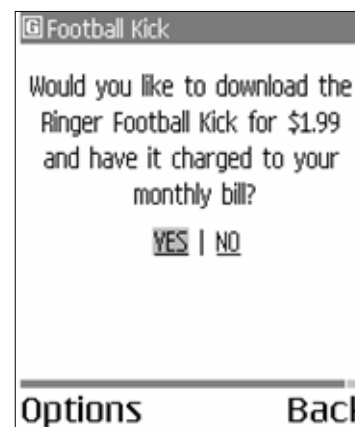
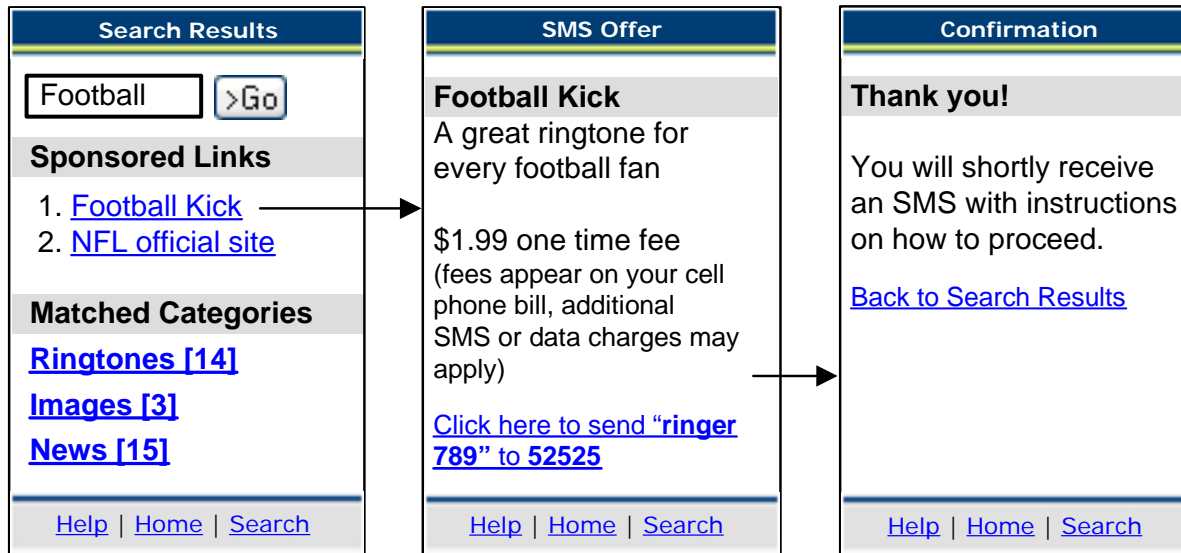
## → Costs

- Carrier revenue share        - **€18** (45%)
- Content cost                      - **€8** (20%)

## → Customer acquisition model

- Remaining margin                **€14** (35%)

% of remaining margin on customer acquisition	20%	40%	60%	80%	100%
Cost per customer	€ 2.80	€ 5.60	€ 8.40	€ 11.20	€ 14.00
Cost per click (@ 20% conversion rate)	€ 0.56	€ 1.12	€ 1.68	€ 2.24	€ 2.80



The Sporting News

## SportingNews

.COM

**NBA:** [Scores](#) | [Stats](#) | [Standings](#)

[Stern: Playoff](#)  
[likely](#)

Options

ESPN NBA

## ESPN NBA

### Ben Wallace wins fourth defensive POY in five years

May 07, 2006

Options

PriceGrabber

### Canon EOS Rebel T2 SLR Camera w/ Kit

Mfr: Canon  
PartNum: 942648

Retailer Prices  
[Sort By Bottom](#)

Options

Restaurant Row! Proximity Se...

## RESTAURANTROW.COM

### Proximity Search

Zipcode  
(5 Digits)

Distance in Miles

1  
 3

Options Back

SKY SPORTS

### Tennis Home

Last updated: May 16 2006 2:03 PM

MURRAY TO  
CHMAN

Options

amazon.com.

Welcome!

### Search

All Products

Search

### The Dark Tower B (Books 1-4)

by Stephen King

Options

Amazon Anywhere

### The West Wing - The Complete Sixth Season

Release Date: 2006-05-09

UPC: 012569704176

Options

eBay Main Menu

- 1 [Sign In](#)
- 2 [Search](#)
- 3 [My eBay](#)
- 4 [What's Hot](#)
- 5 [More...](#)
- 6 [Upgrade to Premium!](#)

Add to My eBay's Net Home

Options Back



Drive inbound phone calls

Collect email leads for e-commerce



Drive local retail traffic

Media & brand interactions

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→ *Our Funding: \$43M Total Raised*



→ *Our Team: Mobile and Search Interdisciplinary Experience*



→ *Our Customers: 7 Mobile Operators with 88M subscribers*





## Mobile Search Ecosystem

### Downloadable Content

- Images
- Games
- Ringtones
- Video / TV

### Search Verticals

- Yellow Pages
- Weather
- News/Sports
- White Pages
- And more...

### Mobile Advertising

- Direct Advertisers
- Ad Agencies
- Ad Aggregators
- External markets

### Mobile Websites

- Mobile Destinations
- Off-Deck Content



## Network Assets

Handset/  
Browser

WAP  
Gateway

LBS

End User  
Data

Aggregator/  
Content Mgmt/  
DRM Systems



- **Mobile Search is going to drive tremendous revenue and profit**
- **Mobile operators must select a partner who will help leverage their network assets**
- **Integrated mobile search and networks assets, combined with an advertising system will maximize carrier profit**



# Thank You

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