

# Making sense of the mobile internet

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# You've heard the hype...



By 2014, mobile advertising will be worth

- \$5.7bn (Juniper research, Jun 09)
- \$29bn (ABI research, May 09)



# But are you getting the info you need?

- Is it worth it for my brand?
- What kind of consumers can I reach?
- Do I really need an iPhone app?
- Is there real substance behind the hype?
- How can I quantify this market properly?

# Three mobile myths

## Myth 1



It's all about  
the iPhone

An aerial photograph of a massive crowd of people filling a stadium. The crowd is dense and multi-colored, with many people wearing red and white. The stadium seating is visible as a grid of lines across the image.

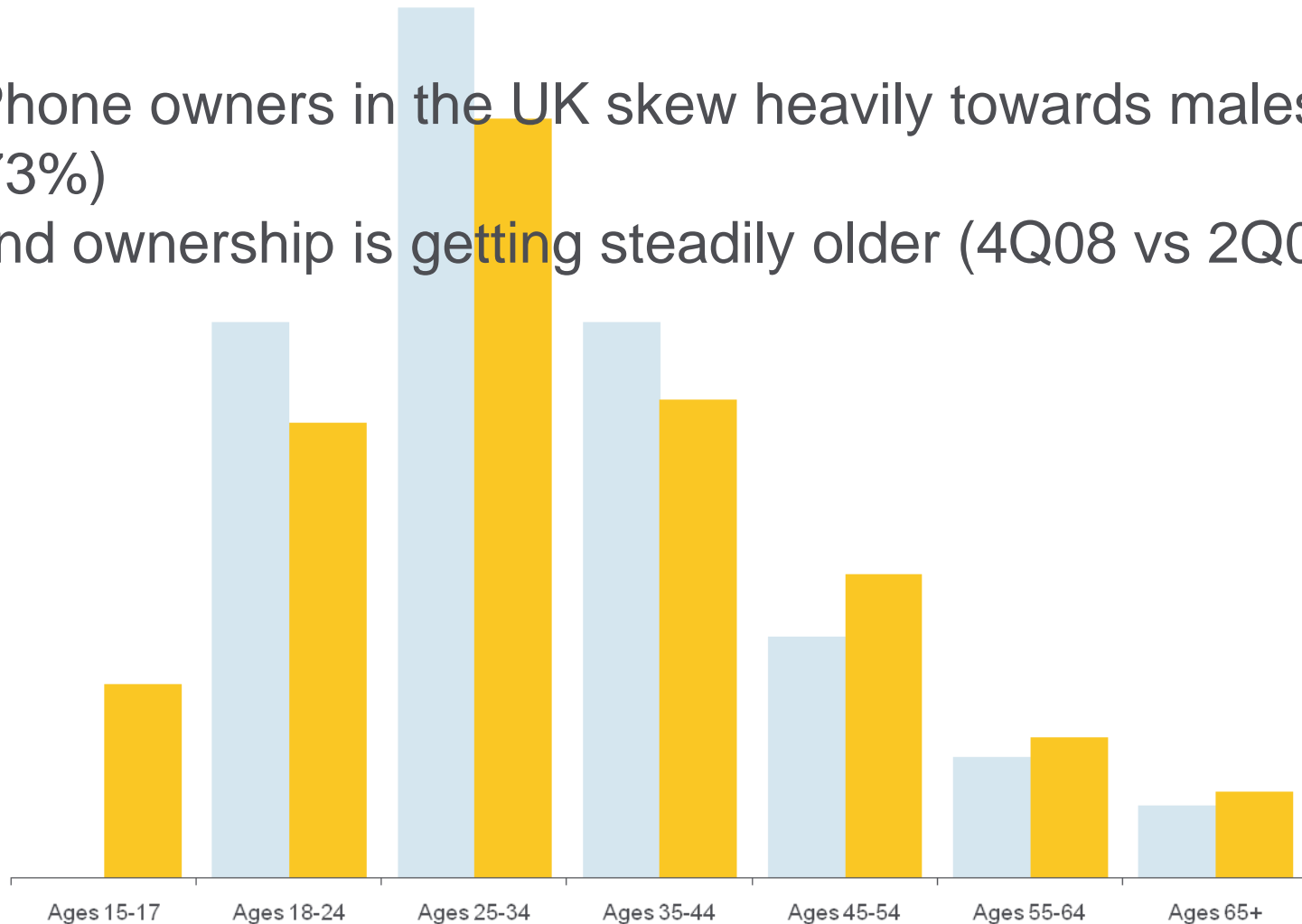
It's not one  
audience...  
It's many



iPhone is only  
2% of the UK  
phone market

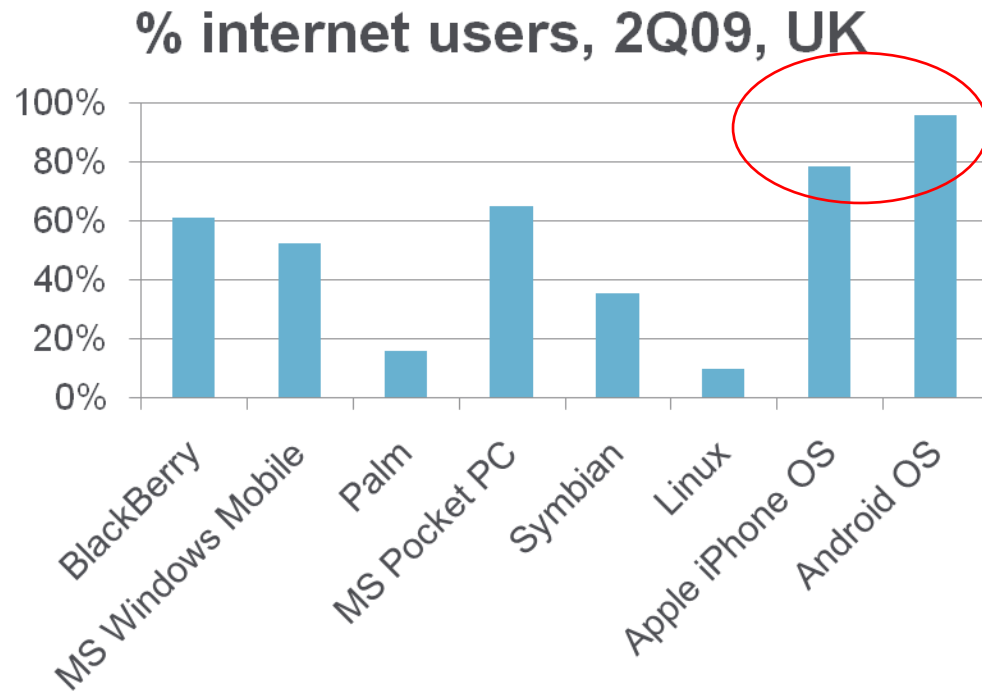
# The iPhone owner

- iPhone owners in the UK skew heavily towards males (73%)
- And ownership is getting steadily older (4Q08 vs 2Q09)



# Some iPhone facts

- iPhone is perfect to engage that specific consumer group
- But it's not the right way to reach the mass market
  - SMS can reach everyone on mobile
  - WAP is no longer 'crap'
- You can mis-hit quite badly
- **WARNING:** agencies and developers love the iPhone...



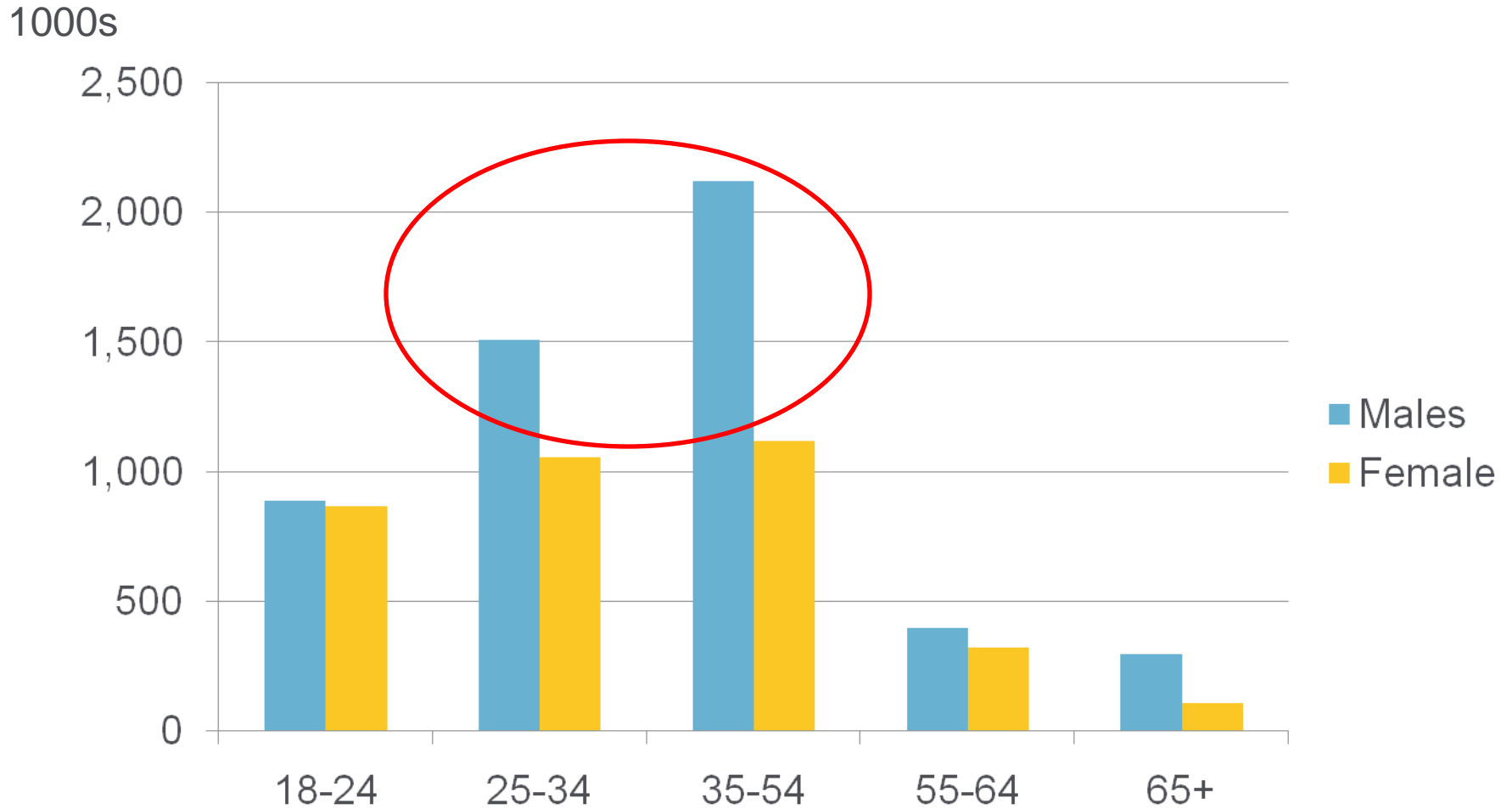
## Myth 2



# It's just for young people



# UK mobile internet users, 2Q09

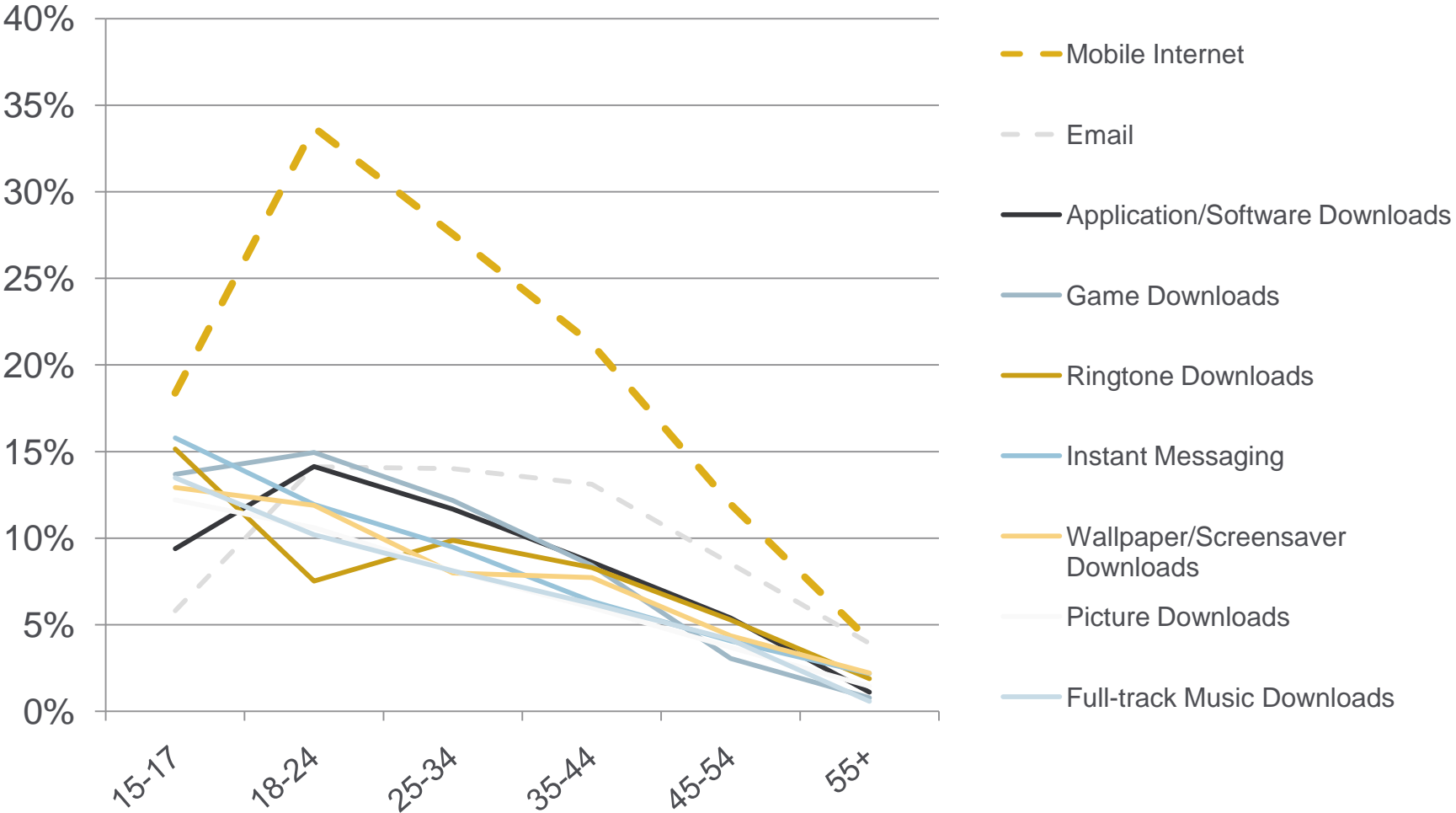


# Connecting to the world is overtaking downloading 'mobile content'

- In the beginning, there were ringtones and operator portals
- Services were targetted heavily at the young (16-30)
- The rise of “off-net” was inhibited at first by tariff, user experience, poor quality wapsites...
- But in the last year or two, consumers have migrated away from operator portals, towards social networking, messaging & email and accessing information

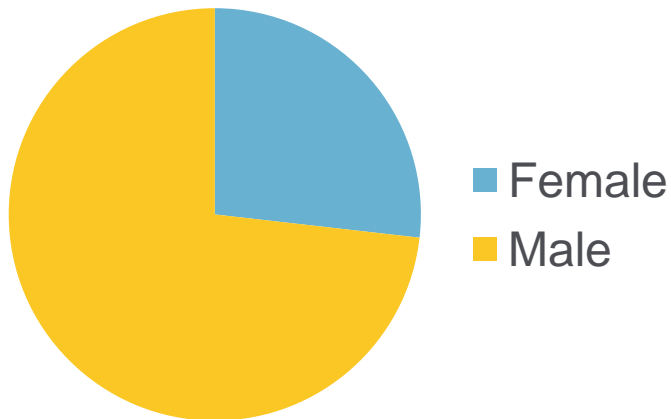
# Teenagers are still a 'get' audience with heavy downloads, but mobile internet is for young adults

Mobile Media User Penetration in UK, 4Q 2008

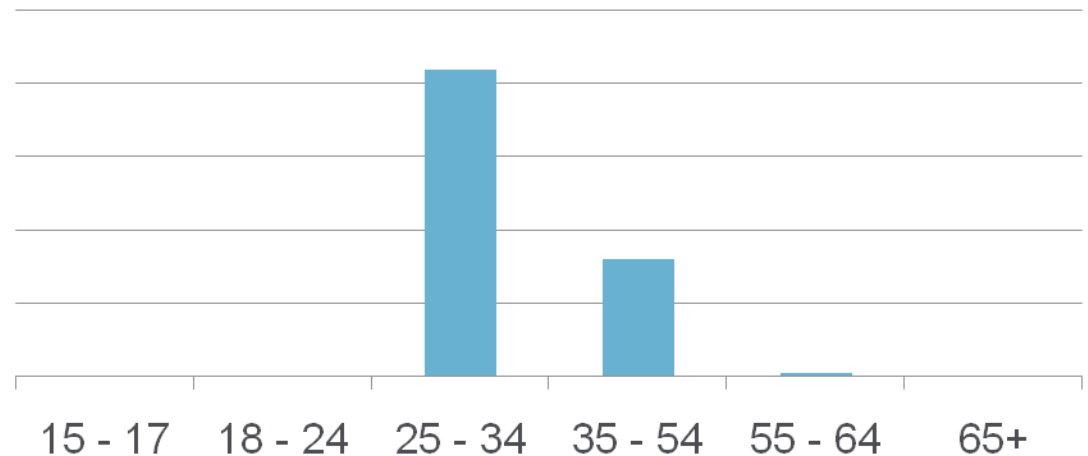


# Lufthansa: a grown-up brand getting it right on mobile

- The Lufthansa mobile site is accessed mainly by professional, educated men over 25
- 11% of Lufthansa passengers check in via their mobile – 90,000 mobile boarding passes a month

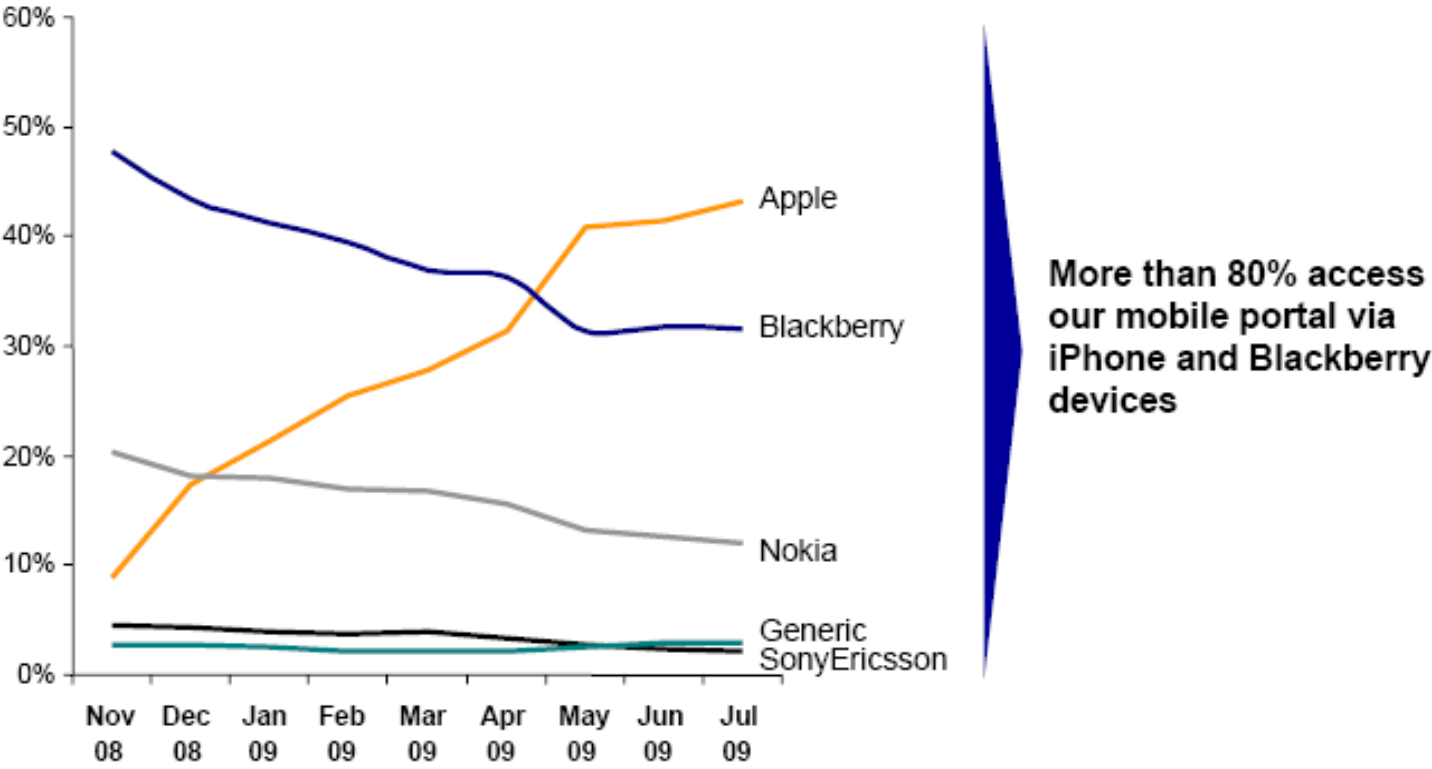


Age profile of Lufthansa mobile unique visitors (DE, 2Q09)



# iPhone leads Lufthansa access

**Device breakdown:**  
**Our target audience are mainly smart phone users**



Stand: April 2009

Source: Lufthansa, Sep 09

## Myth 3

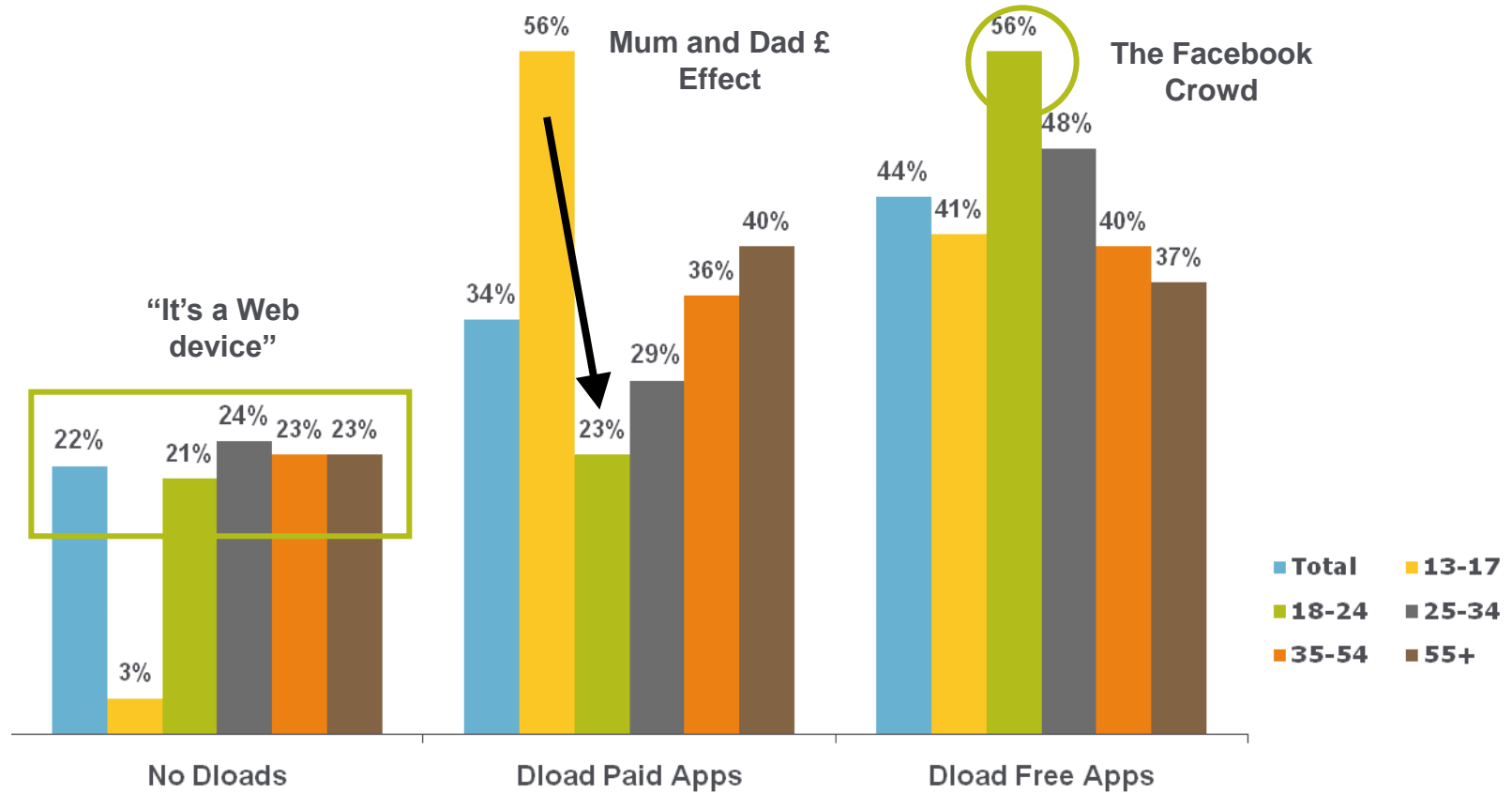


# You've got to have an app

# iPhone apps and who's paying...

## App Store Downloading Behavior – By Age

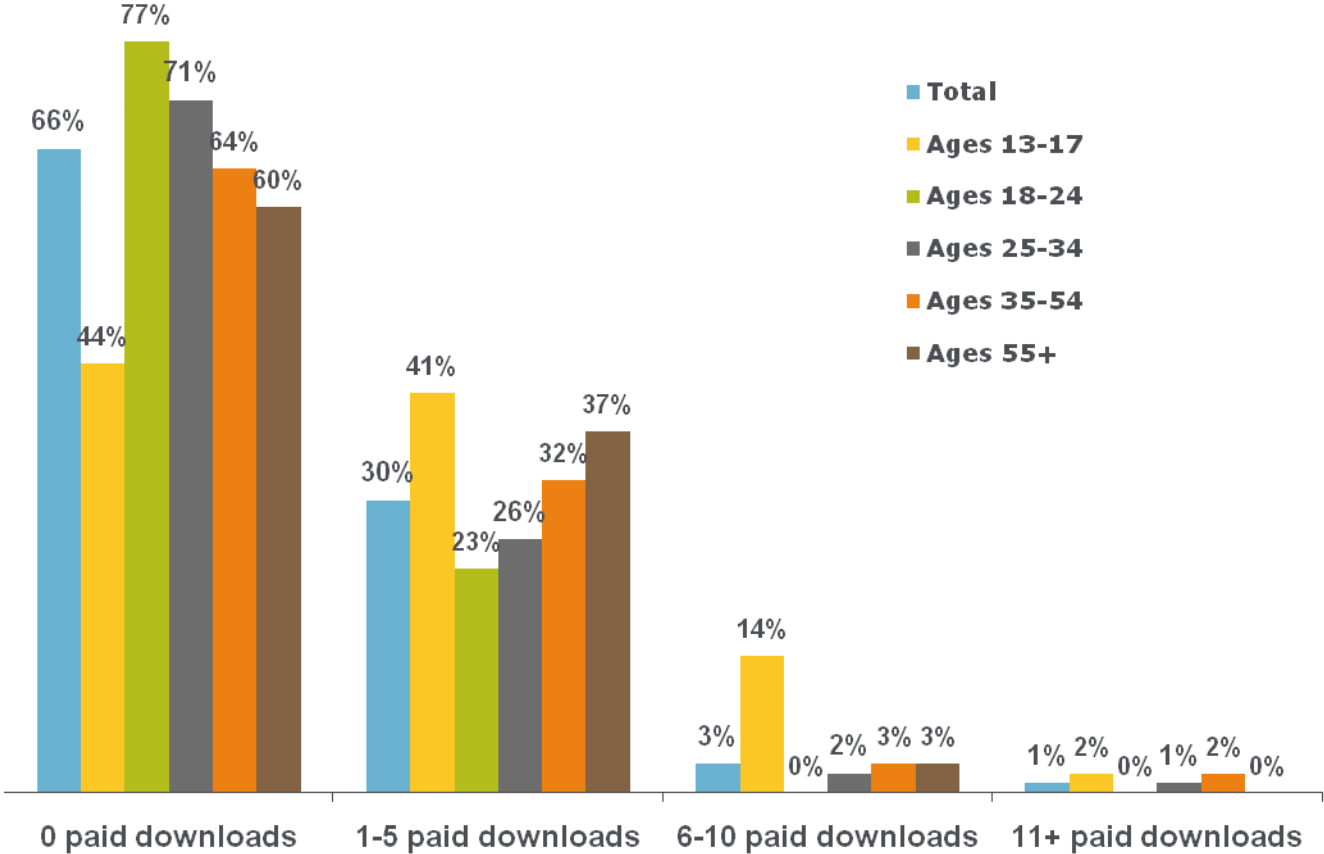
Q4 08, iPhone Owners



# There is a cliff after more than 5 app downloads/month

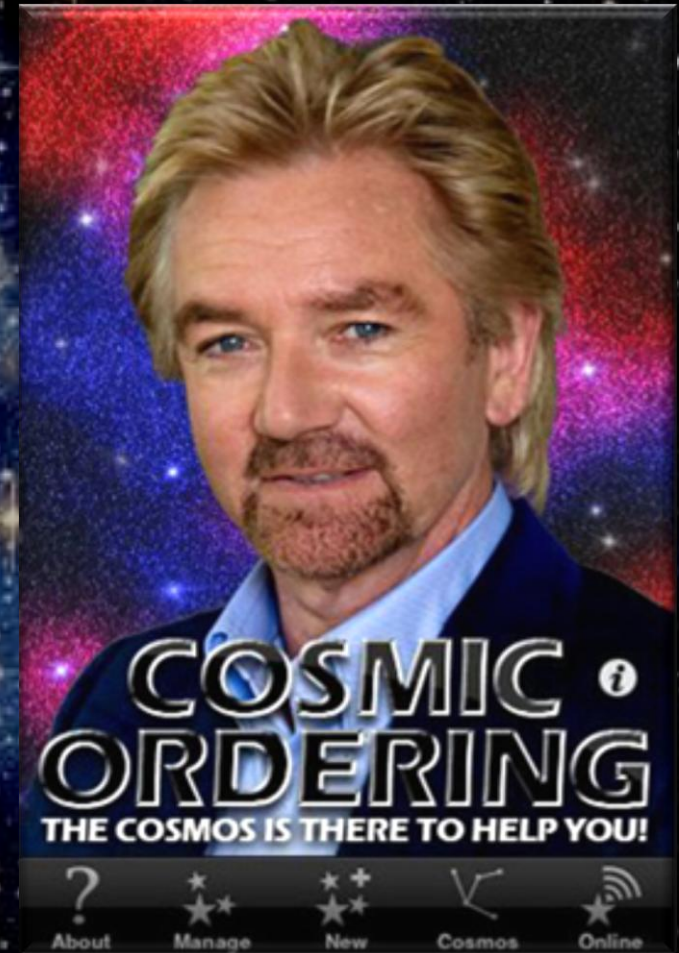
## App Store Downloading Behavior – By Age

Q4 08, iPhone Owners



# Do you *have* to have an app?

- “Noel Edmonds’ Cosmic Ordering”
- Cosmic ordering:
  - ask for what you want
  - and you will get it for free
- iPhone app: £1.19



# Will Noel's fans buy the app?

- It is not something for the 'Deal or No Deal' audience?
  - Only 2% of UK females aged 45-54 have downloaded a mobile application
- But perhaps Noel be asking for a post-ironic cult student fanbase?
  - 22% of 18-24 UK males have downloaded a mobile application



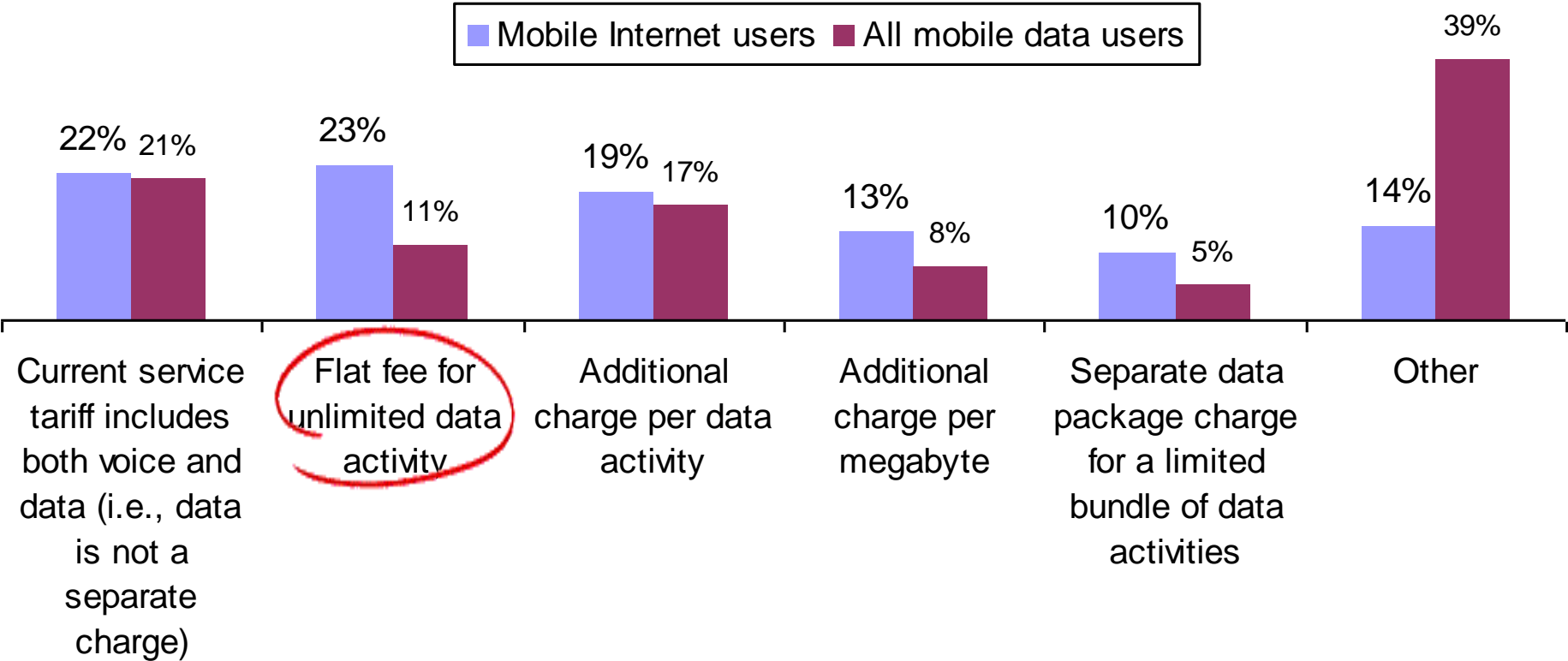
# Driving the growth of the mobile internet

# What is driving the growth of mobile internet?

1. All-you-can-eat data plans
2. Faster connectivity
3. Better multi-function handsets with better screens
4. Social networking, news and search

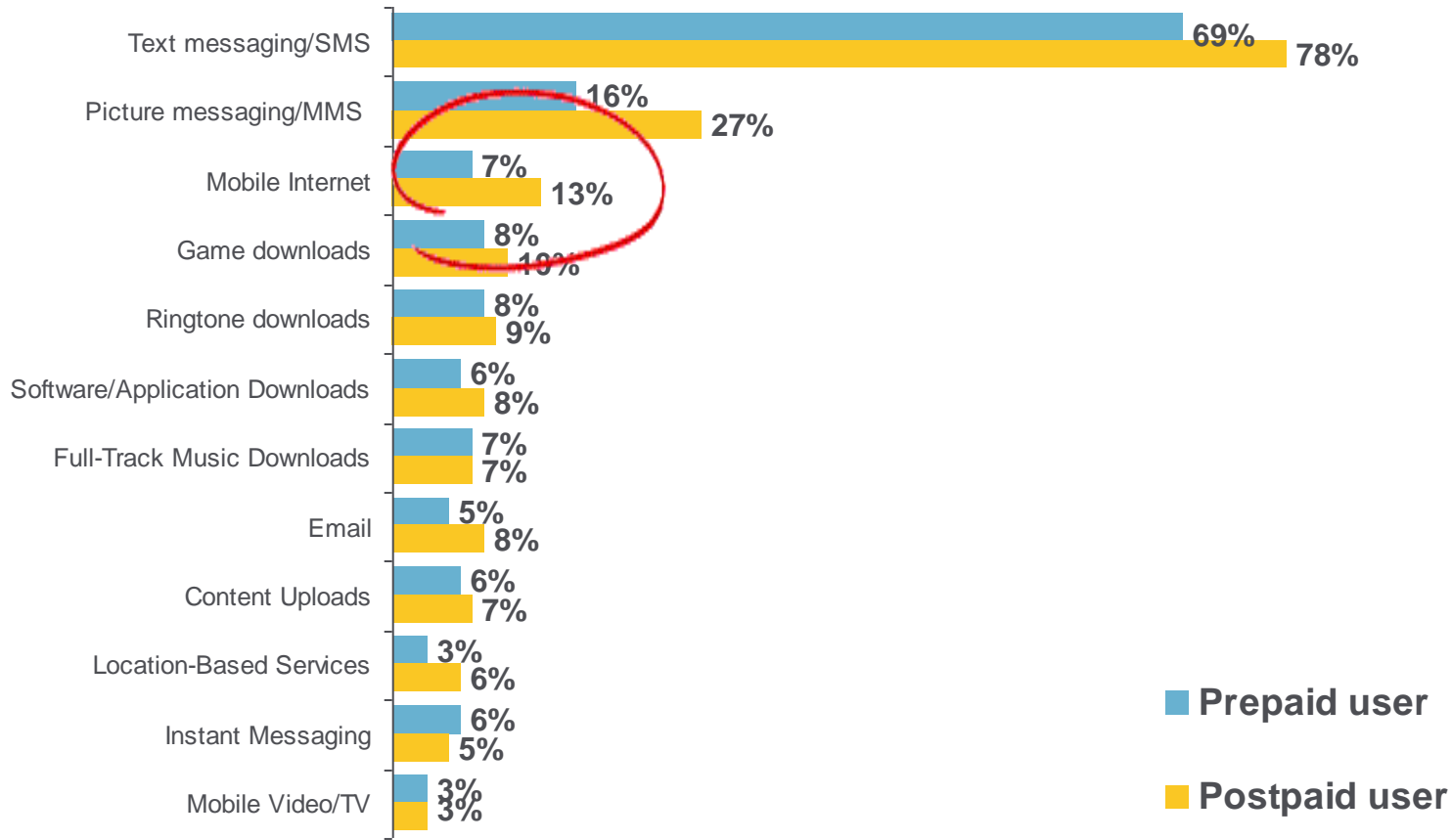
# Driver 1: flat fee data tariffs allow browsing without fear

Mobile Internet Users Data Services Payment – Q4 2008



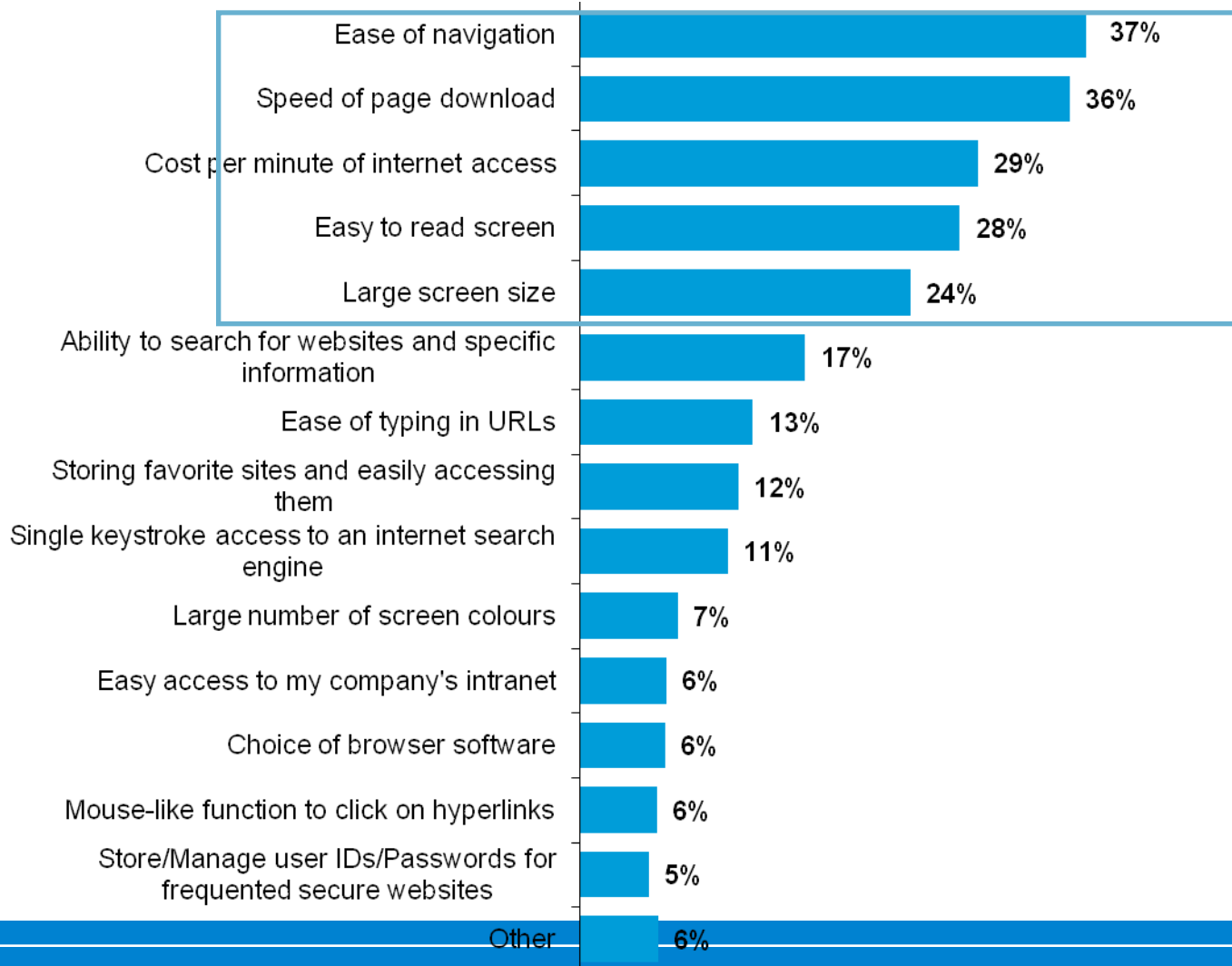
# Driver 1: combined with post-pay tariff

**Major Data Activities by Payment Plan**  
Q1 2009, Spain



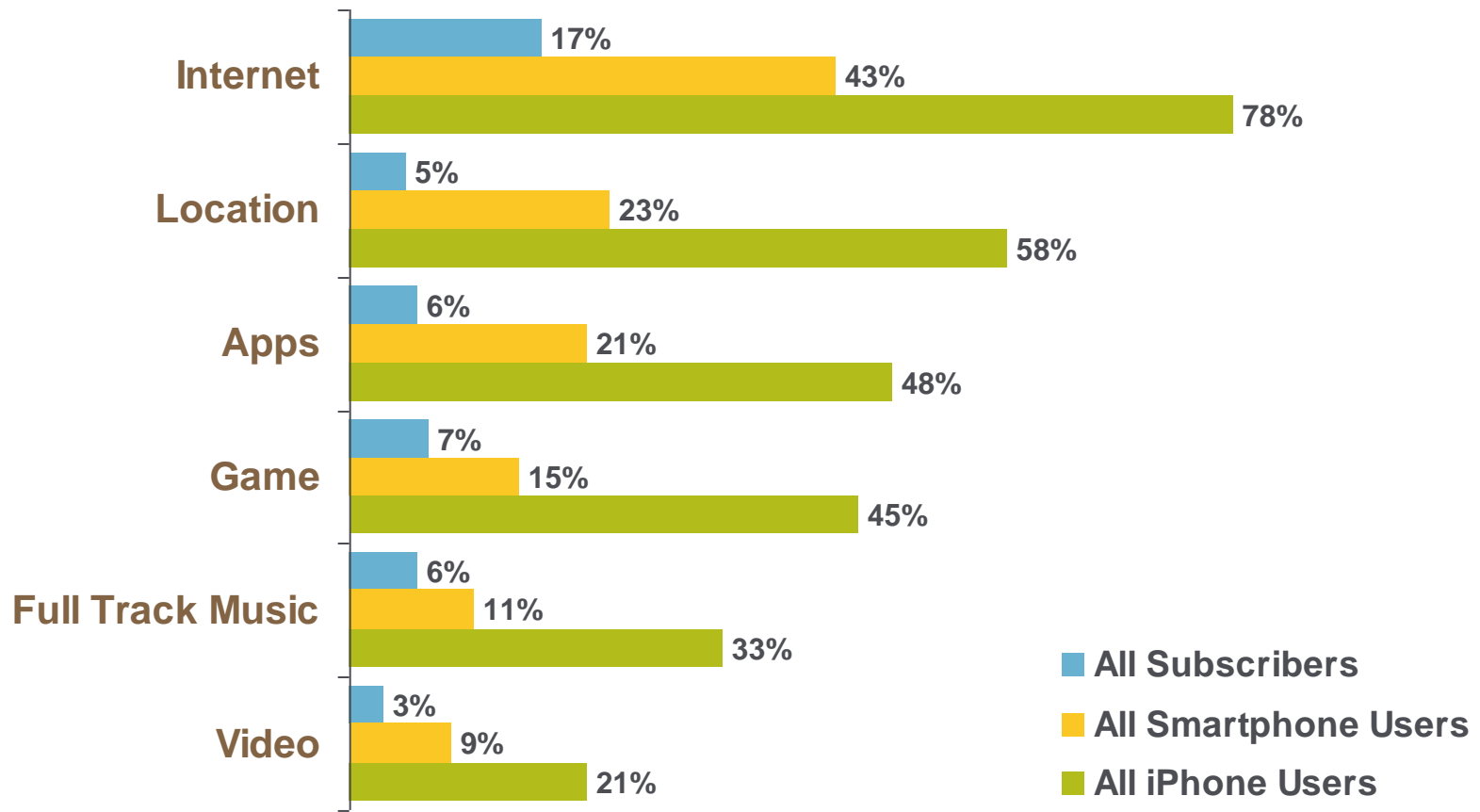
# Driver 2: fast connectivity and screen clarity

## Most Important Mobile Internet Features for Mobile Internet Users - Europe Q3 08



# Driver 3: a great device user experience

**Major Data Activities by Phone Type**  
Q1 2009, UK



# (And luckily for all of us, the smartphone sector is growing rapidly)

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## Mobile phone sales slump, but smart phone sales rise

The mobile phone market declined as users bought 25m fewer phones than in the first quarter last year, but sales of smartphones grew as Apple doubled its smartphone market share

Comments (0)  
Buzz up!  
Digg it

Mobile phone sales fell by 8.6% to 269.1 million of 2009, according to Gartner, but smartphones sold 36.4 million units.

This was "the biggest quarter-on-quarter contraction" Gartner began monitoring the market on a quarterly basis, said Carolina Milanesi, research director for mobile devices at Gartner in Eggham in the UK.

Nokia continued to dominate the handset business with a 36.4% share. However, it lost 3 percentage points on sales to 115.2m to 97.4m units for the quarter, compared to 118.2m in 2008. Samsung was followed by Samsung (51.4m units), LG (20.1m) and Sony Ericsson (14.5m).

Nokia was also dominant in smartphones, selling 14.5m units, up from 10.5m in 2008.

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### Smartphone sales rise in Q1; RIM, Apple see biggest gains

Overall, mobile device sales were off by almost 9%, Gartner says

By Matt Hamblen  
May 20, 2009 11:58 AM ET

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Computerworld - Mobile phone sales globally dropped 8.6% in the first quarter compared to the same quarter of 2008, while smartphone sales jumped 12.7% during the same period, Gartner Inc. reported today.

The decline in the first quarter was the biggest drop since Gartner began doing quarterly reports in 2001, the research firm said in a statement. Even so, Gartner analyst Carolina Milanesi said there have been some signs of recovery in North America and China.

Worldwide, according to Gartner, 269.1 million units of both smartphones and other phones were sold in the first quarter, a 8.6% decline from the 294.8 million units sold in the first quarter of 2008.

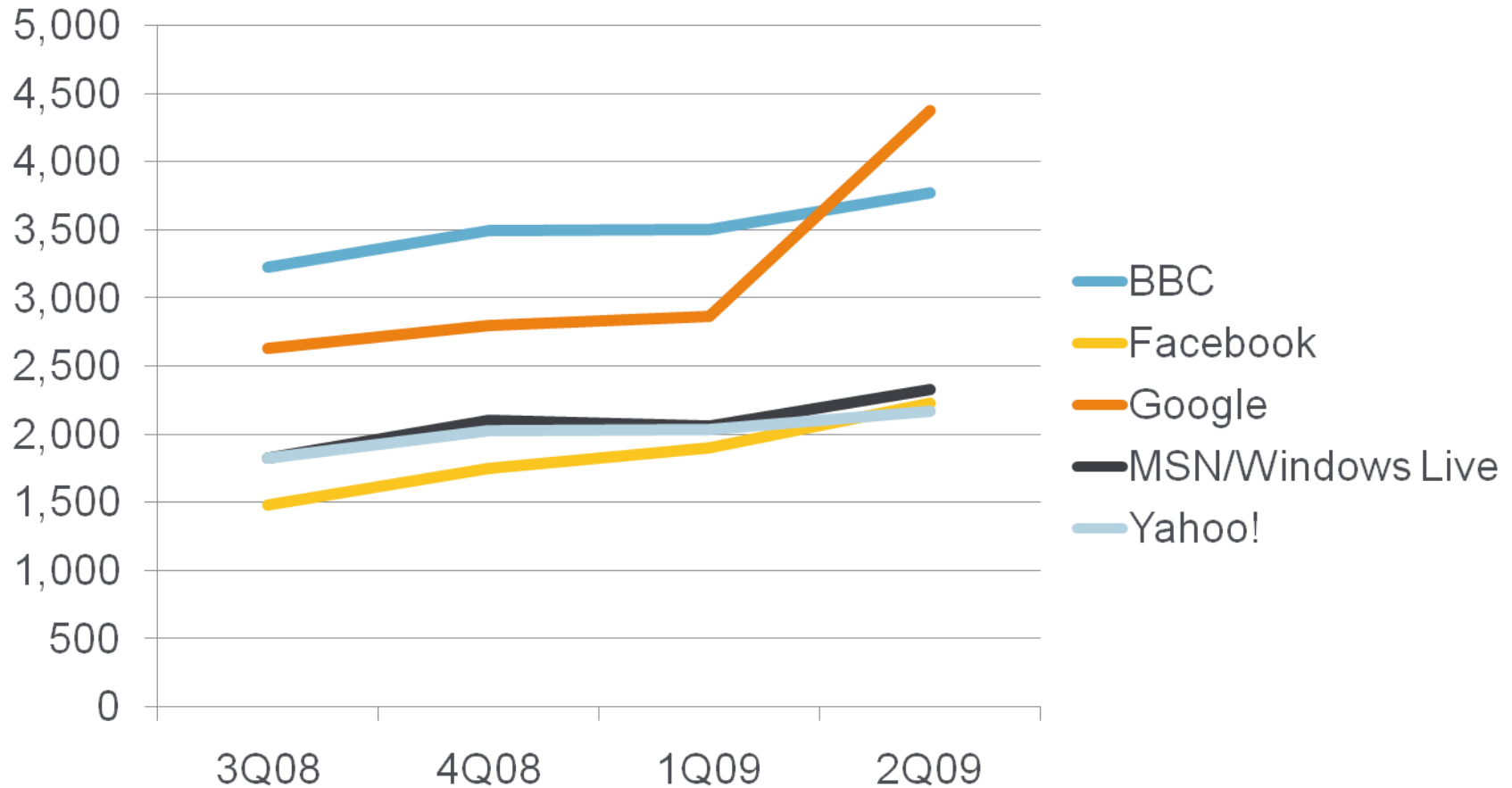
#### White Papers & Webcasts

**LIVE WEBCAST: Enterprise Collaboration- Gold Mine or Money Pit?**  
LIVE May 21, 2009 02:00 PM ET

**Bloor Research: Netezza and the HP Oracle Database Machine**  
(Source: Netezza) HP and Oracle have recently announced the HP Oracle Database Machine. This has been positioned by Oracle as a competitor to...

**Edmunds.com Customer Success Story for Service Automation**  
(Source: BMC) In this webcast, explore how other IT organizations have implemented data center automation solutions and figure out whether or not it's...

# Driver 4: searching, being informed and staying connected



Our advice?

Don't waste your  
money on mobile  
advertising

Our advice?

Spend it wisely

# Spending it wisely: consumer insight

- Understand the mobile habits of your consumers
  - Handset
  - Tariff
  - Media usage
  - Attitude to technology
- Choose the right way to engage with them



# Spending it wisely: browsing habits

- Find out where they visit on their mobile

**nielsen** Mobile Media View

DICTIONARY HELP LOGOUT Internet Spain

Sites Category Targeting All Sites Search FIND IT

Audience: All Active Mobile Internet Universe

Formats: Site Metrics Demographics Audience Summary Site Metrics: Standard Metrics

Control: Latest Quarter (Qtr 2, 2009) All Operators Brand RUN REPORT

Include IM Applications

Report: Standard Metrics (IM Applications Excluded) Brand Period: Qtr 2, 2009 257 rec(s) found

Operator: All Operators Country: Spain

Brand  Channel

SAVE REPORT ADD SITE(S) PRINT EXPORT (XLS) EXPORT (CSV) Page 1 NEXT

	Brand	Unique Audience (000)	Active Reach (%)	Mobile Subscriber Penetration (%)	Rank by Unique Audience	Average Visits Per Person Per Site	Average Time Per Visit(min)
<input type="checkbox"/>	Total	4,863	100.0	12.72	N/A	8.6	9
+ <input type="checkbox"/>	Google	3,111	64.0	8.14	1	11.1	9
+ <input type="checkbox"/>	MSN/Windows Live	1,609	33.1	4.21	2	13.5	10
+ <input type="checkbox"/>	Yahoo!	1,194	24.6	3.12	3	10.1	10
+ <input type="checkbox"/>	Telefonica	876	18.0	2.29	4	10.1	8
+ <input type="checkbox"/>	Vodafone	592	12.2	1.55	5	7.3	6
<input type="checkbox"/>	Facebook	543	11.2	1.42	6	14.0	11
+ <input type="checkbox"/>	Orange	485	10.0	1.27	7	10.2	8
+ <input type="checkbox"/>	Terra	450	9.3	1.18	8	8.7	8

# Spending it wisely: campaign planning

- Don't ignore SMS
  - It may not win you a D&AD award
  - But it's a proven method of reaching mass-market audiences
  - And encourages engagement
- Make sure your banners click through to a mobile-optimised website
- Focus on engagement, not just reach
  - CRM, games...
  - Give in order to receive
- It's OK to ask for help!

**Thank you!**

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**nielsen**  
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