



Giveaways Key to Mobile Marketing

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Would you watch ads for a free phone?

Mobile advertising will generate \$2.3 billion in revenues in the US by 2011, according to EJL Wireless Research's "Global Mobile Advertising Market Analysis 2006-2011."

The firm expects mobile couponing to be the largest ad segment, accounting for 42% of the overall market by 2011.

US and Worldwide Mobile Advertising Revenues, 2011 (billions)

US	\$2.3
Worldwide (includes US)	\$9.5

Source: EJL Wireless Research, "Global Mobile Advertising Market Analysis, 2006-2011" as cited in press release, May 30, 2007

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Earl Lum of EJL said, "We believe that the recent transaction involving Third Screen Media and AOL is the tip of the M&A iceberg for the mobile advertising industry and anticipate and recommend a significant consolidation of the industry to create market efficiencies that will eventually lead to explosive growth."

eMarketer's own projections for the US mobile ad market made in January 2007 covered spending, not revenues, and had the market passing \$2.3 billion in 2009.

Mobile Advertising Spending in the US, 2006-2011 (millions)

	2006	2007	2008	2009	2010	2011
General mobile ad spending*	\$410	\$878	\$1,547	\$2,285	\$3,202	\$4,356
Mobile multimedia ad spending**	\$11	\$26	\$55	\$110	\$213	\$402
Total	\$421	\$903	\$1,602	\$2,395	\$3,415	\$4,758

Note: numbers may not add up to total due to rounding; *includes spending on text message promotions and ad-supported voice minutes; **includes spending on ad placements around mobile video content, mobile music, mobile TV and mobile social networks
Source: eMarketer, January 2007

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While mobile couponing may be the secret for global mobile marketing, giveaways are the ticket in the US, according to an April 2007 AirG study. Nearly half of respondents said that they would accept ads on their phones in exchange for a free service or chance to win a prize.

More than a third of said they would watch more than 10 ads a day to get a free phone.

Number of Ads that US Internet Users Would Watch Every Day to Get a Free Phone, April 2007 (% of respondents)



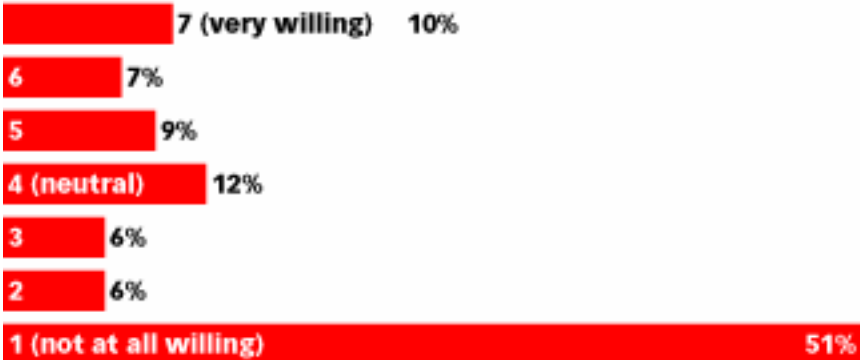
Source: AirG as cited by DM News, May 29, 2007

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Although a free phone or free phone service may be alluring, individual phone applications had less appeal to respondents in a Harris Interactive poll conducted in October 2006. Just over half were not at all willing to watch ads in exchange for applications. The remaining 49% had a slightly negative to neutral reaction to the proposition.

US Adult Mobile Phone Users' Willingness to Watch Advertising on Their Phones in Return for Free Mobile Phone Applications, August 2006 (% of respondents)



Note: n=857; numbers do not add up to 100% due to rounding
Source: Harris Interactive, October 2006

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