



# Mobile Advertising Report

First Quarter 2008

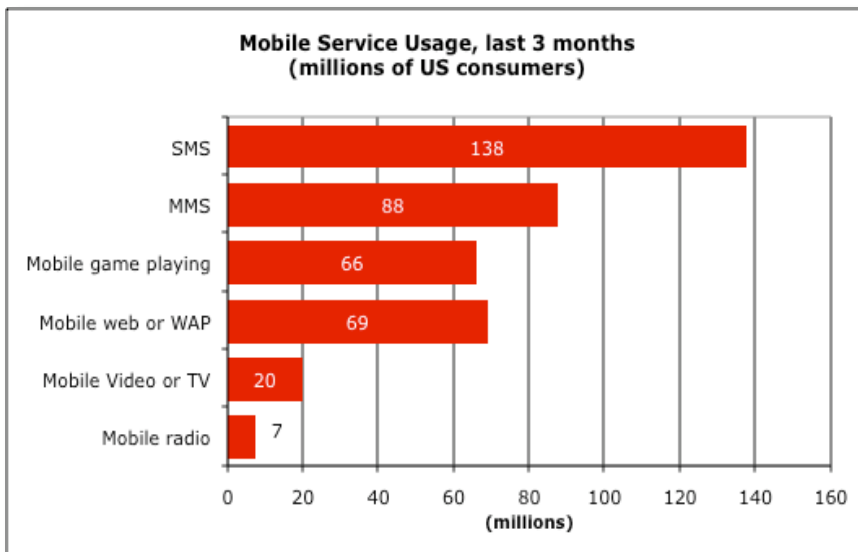
## What is the Mobile Advertising Report?

More people in the United States (and indeed globally) have a mobile phone than an Internet-connected PC. Consumers are quickly emigrating away from pay-per-use mobile services and are heading toward free-to-end-user services that are supported by advertising. Coupled with a fragmenting media landscape, advertising-supported, free-to-end-user services create exciting opportunities for brands to reach consumers in ways never before possible.

Limbo's *Mobile Advertising Report* is a tool to help marketers and their agencies understand this fast-changing medium. The *Mobile Advertising Report* is distributed free to marketers. To receive the mobile marketing report, email [mar@limbo.com](mailto:mar@limbo.com).

Limbo's *Mobile Advertising Report* is produced in conjunction with GFK/NOP research. The Q1 2008 edition is based on a survey of 1,000 representative American adults interviewed by telephone.

## 1. Mobile Media Reach



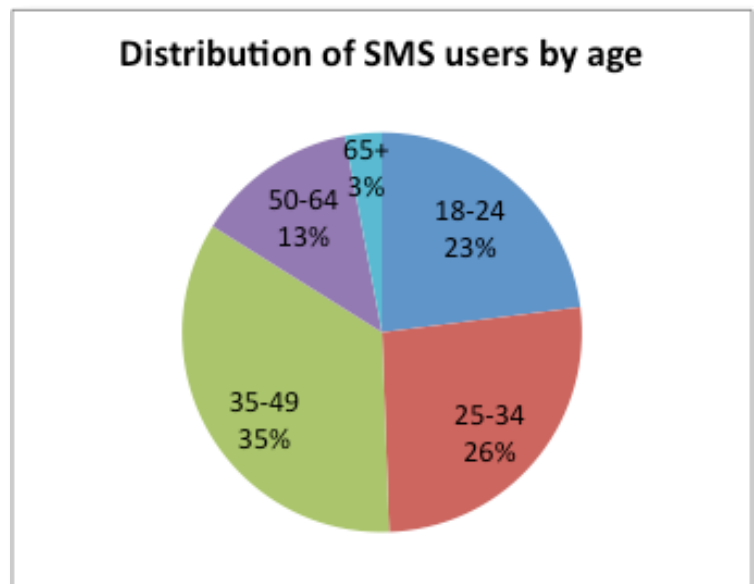
There are more than 255 million mobile phone users in the U.S., up from 251 million in Q4 07.

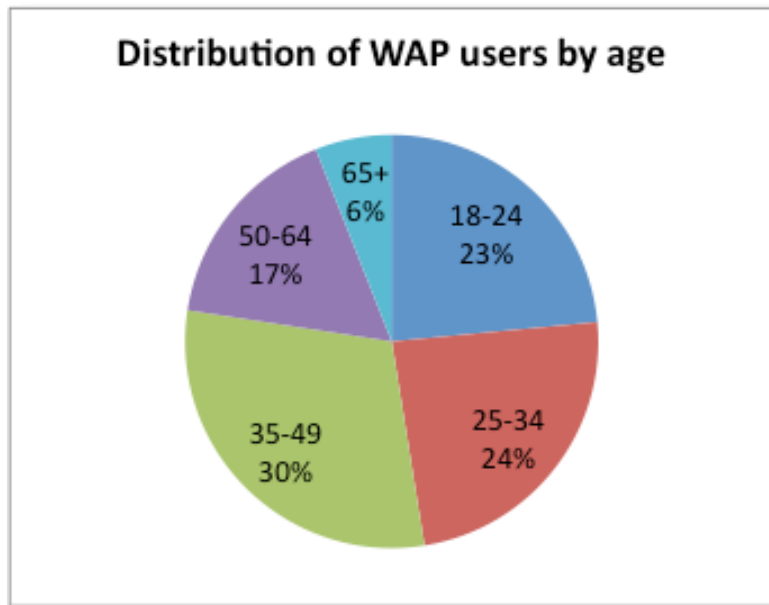
We have seen relatively flat growth in mobile service usage since Q4, which may be linked to new holiday-gifted phone purchasers being less likely to use data services, or perhaps due to a tightening economic climate.

SMS use continues to dominate, with over 50 percent of phone users making use of the service. The fastest-growing medium is WAP (mobile Web), which has 69 million users, equaling roughly 50 percent of the reach of SMS).

The previous *Mobile Advertising Report* showed that the penetration of SMS is much higher for younger consumers, as 82 percent of those under 24 use SMS, while only 13 percent of those over 65 use the medium. So it's a youth medium, right? Maybe not.

The chart to the right shows the distribution of SMS users by age. It turns out that 50 percent of SMS users are aged 35 or over, and 75 percent are aged 25 or over. Marketers should avoid pigeonholing mobile as exclusively for youth. However, marketers *should* take age-targeting into consideration when running campaigns.

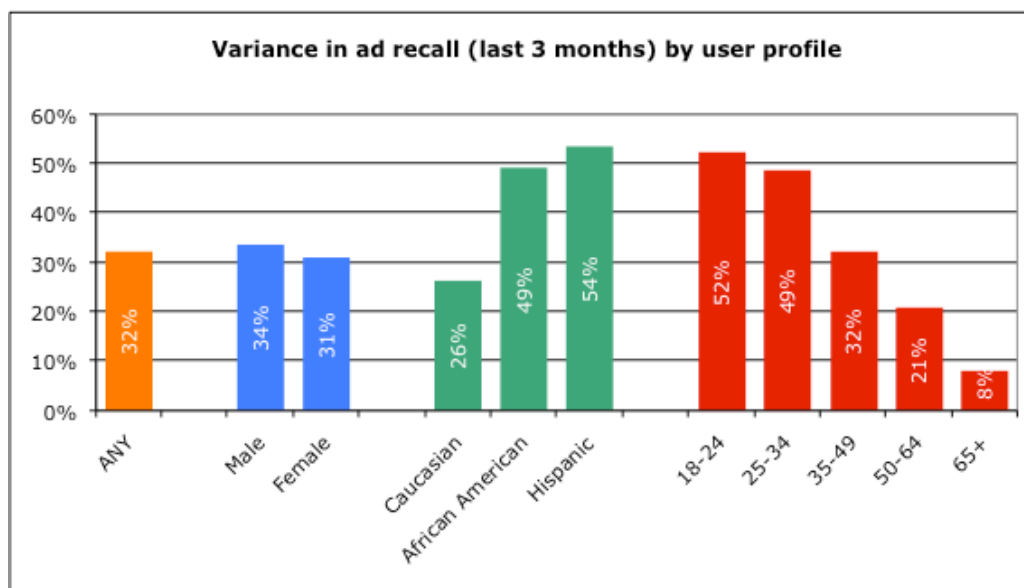




The same analysis for WAP reveals a similar story. It might be expected that since WAP has a lower adoption, its user base would be clustered around young early adopters. But if anything, it has an older age profile than SMS. More than 50 percent of WAP users are above age 34, and one in 17 WAP users is over 65.

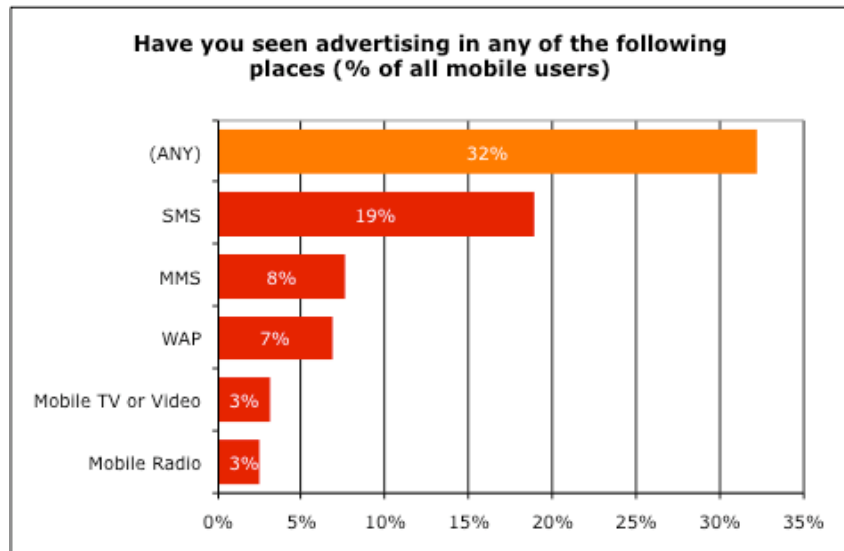
## 2. Mobile Advertising Penetration

The number of people in the U.S. who recalled seeing advertising on their phones in the last three months has risen significantly, from 78 million to 82 million. The most significant areas of growth occurred among women and those aged 25 to 34. Non-Caucasian ethnic groups are significantly more likely to notice advertising than are Caucasians.

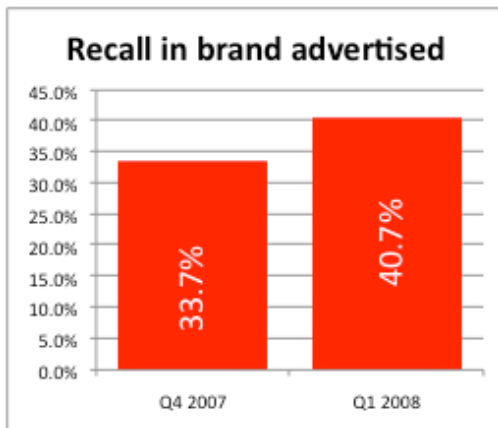


Unsurprisingly, SMS maintains its position at the top of the table for advertising recall, up from 17 percent to 19 percent of mobile users.

All other media types were flat or showed slight drops in recall when compared to Q4 2007.



### 3. Brand Recall



Perhaps the most dramatic finding of the *Mobile Advertising Report* this quarter was the rise in consumers who were able to recall the brand they had seen advertised on their cell phones.

Forty-one percent (41%) of those who remembered mobile advertising could remember at least one brand, which is up from 34 percent just three months ago. This represents a 20 percent increase.

Men are 10 percent more likely than women to recall a brand they had seen advertised, while those aged 25 to 34 were the highest-performing age group. There is a reverse correlation regarding income, as those earning the least are much more likely to recall brands than are those earning the most. And single people recall

more ads than do their married counterparts.

The most commonly recalled brands were the mobile operators themselves, most notably Verizon and AT&T, followed by mobile service providers (ringtones, games, music, dating) and handset manufacturers. Additionally, there was a long tail of brands receiving very low recall scores, including NBC, Yahoo!, MSN, Lincoln, United Airlines, Nissan, Coca-Cola, McDonald's, ESPN, AOL, Nike, and Overstock.com.



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## 4. Get Involved

If you'd like to have your mobile advertising campaign measured in the next Limbo *Mobile Advertising Report*, please email all pertinent details to [measureme@limbo.com](mailto:measureme@limbo.com). And if you'd like to receive future copies of the report, please email [mar@limbo.com](mailto:mar@limbo.com).

## 5. About Limbo

Limbo ([www.limbo.com](http://www.limbo.com)) is the world's largest mobile entertainment community. The company leverages its patent-pending platform – including SMS, mobile Web, mobile video, Web, and email – to seamlessly integrate brands throughout unique games, content, and community. The Limbo platform delivers more than 50 branded interactions per consumer, as well as provides unparalleled increases in purchase intent. The award-winning, privately held company, headquartered in Burlingame, Calif., is backed by three of the world's top venture capital funds: Azure Capital Partners ([www.azurecap.com](http://www.azurecap.com)), Draper Fisher Jurvetson ([www.dfj.com](http://www.dfj.com)), and New Enterprises Associates ([www.nea.com](http://www.nea.com)).