

MILLENNIAL MEDIA'S

Predictions for the "Top 10 in '10"

www.millennialmedia.com/research/top10



2010 WILL NOT BE THE "YEAR OF MOBILE."

The proverbial "Year of Mobile" came and went. There was no cataclysmic tipping point that shocked industry-watchers into acknowledging mobile as a highly effective and efficient advertising medium.

While some were taking a wait-and-see approach, innovative advertisers were in market with creative, relevant and impactful mobile campaigns. They were building mobile sites and branded apps, and they were implementing longer-term mobile strategies. In 2010, brand advertisers will increasingly allocate larger portions of their digital media plan towards mobile to further capitalize on this truly personal consumer medium.

The following provides a snapshot of the predictions we are making for the coming year based on observed consumer behaviors, advertiser and industry data, surveys, technology and device trends; as well as, campaign analysis pulled from our network this year.

Let's put the talk of the "Year of Mobile" behind us and gear up to have a spectacular 2010.



millennialmedia[®]
Mobile. Delivered.

Predictions for the "Top 10 in '10"

www.millennialmedia.com/research/top10

1 The U.S. Mobile Web Will Reach Nearly 100M Unique Users Per Month in 2010:

In 2009, the U.S. mobile Web grew at an average rate of 2% month over month, according to Nielsen.¹ At this rate, combined with the accelerated adoption of smartphones and mobile-specific sites, the mobile Web will reach more than one-half of the consumers on the wired Web.

2 Advertisers Invest Significantly in Site and Application Mobile Destinations:

In 2009, a clear majority of campaigns sent consumers to brands' persistent mobile sites and custom mobile applications.¹ In 2010, 50% of campaigns will direct users to a mobile site and 35-40% to a custom mobile application promoting their products and services via Apple, RIM, Android and other application storefronts.¹

3 New Entrants to the Mobile Market Emerge:

Advertisers, who previously relied on more traditional advertising channels, will increasingly allocate portions of their media spend to mobile. More than 25% of brands anticipate spending greater than \$5M on mobile advertising in 2010, up from 12.5% spending more than \$5M in 2009.² The leading mobile advertising verticals will include even more aggressive budgets from the Pharmaceutical, Automotive, Travel and Retail verticals and will challenge Entertainment, Telecom and Portals for premium placements.

4 Location x Relevancy x Immediacy = Mobile Triple Play in 2010:

Consumers will increase their average browsing time from the 4:40 (min:sec) average in 2009 to the 5:30 range, and average page views will increase from approximately 105 to 120 pages per month.¹ Relevancy becomes even more critical to engage these consumers. Advertisers will be increasingly drawn to mobile's unique opportunity to reach and engage consumers with immediate and location-specific content.

5 Advertisers Will Increasingly Buy Audiences over Buying Media Properties:

Advertisers will leverage mobile ad networks' ability to create and target custom audiences at scale. Gone will be the days where carrier, country, and demographic targeting will alone satisfy advertiser needs.

6 Mobile Will Be Called to Task on Privacy:

Reputable mobile ad networks will follow guidelines set by industry trade associations and standard bodies. Offering opt-out capabilities to protect personal identification information will be an imperative and will propel the roll-out of more contextual and behavioral consumer ad targeting via mobile.

7 Mobile Retail Activity and Commerce Proliferates:

According to Deloitte's 24th Annual Holiday Survey, of the "mobile shoppers" identified in their survey: 55% said they will use their mobile device to find store locations, 45% to research prices, 40% to find product information, 32% to find discounts and coupons and 25% to make purchases. Mobile-driven retail activity and commerce will continue to increase with retailers leveraging new mobile-specific technologies to convert browsers into buyers.

8 Demand Will Exceed Supply in Some Areas; Supply Will Exceed Demand in Others:

The demand for pre-roll and other advanced mobile video advertising solutions will exceed available inventory in 2010. Supply exceeds demand in application mobile advertising and the number one priority of Publishers and Application Developers will be to find ways to improve the quality of their inventory to better meet advertiser needs.

9 Competition in the Application Space Increases:

Apple will face credible competitors in 2010 as the Android and RIM developer platforms continue to flourish. In the Game App category, Android out-performed both Apple and RIM with a leading 1.8% CTR, while RIM remained a close competitor to Android on all categories.³

10 Agencies Demand Frequency Capping & SOV:

Advertisers will demand 100% share of voice on the mobile screen and the vast majority of premium publishers and ad networks will oblige. Frequency capping will become an imperative to avoid consumers tiring of repetitive ads. Unique user identification will become a best practice standard of the leading mobile ad networks and analytics firms.

Bonus Prediction:

There will be content categories, particularly news, weather, travel and real estate only accessed via a mobile device. The advertiser imperative: understand the shifts in content consumption of your consumers.

Please let us know what you think — email us at marketing@millennialmedia.com with your predictions or challenge us on ours. ■

¹ As reported in Millennial Media's S.M.A.R.T.™ report: <http://www.millennialmedia.com/research/>

² As reported in Millennial Media's 2009 State of the Mobile Industry report: <http://www.millennialmedia.com/research/>

³ As reported by Mobclix's year-to-date data through November 1, 2009.