

## WIRELESS VANTAGE™

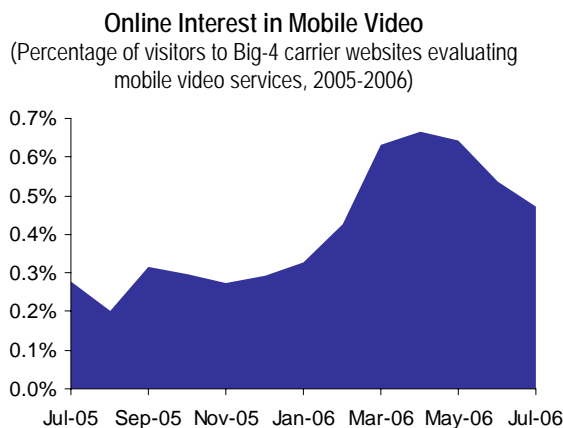
A view of the wireless consumer marketplace

By Adam Guy and Andrew de Garavilla

### MOBILE VIDEO DEMAND IS SMALL BUT GROWING FAST

Mobile video has emerged as one of the hottest technologies in the wireless industry. All the major carriers have launched mobile TV services, and the investment community continues to pour money into enabling technologies. So far, consumers have responded with limited, yet growing interest.

Interest in mobile video on the Big-4 carriers' websites increased 80% over the past year, yet still represents less than 1% of carrier website traffic, according to recent data from Compete, Inc. Overall, content including ringtones, games, wallpapers and applications represents a much larger 13% of total Big-4 website traffic.



Enhancing and marketing mobile video services' ease of use will be crucial to converting novelty interest into mass market adoption. Mobile TV services feel complicated and expensive to most consumers. That can be remedied through stimulating viral marketing and communicating these services' ease of use. Offering demos and tying the online channel into the mobile experience through content shifting and file sharing will help as well.

With advanced services like mobile television, carriers and key content players must both build awareness and educate consumers about the offerings. As consumers' primary wireless research channel, the Internet offers companies a way to encourage that education process as well as benchmark, measure and continuously improve their approach.

### CONSUMERS ARE ASKING FOR PRODUCTIVITY TOOLS IN ADDITION TO ENTERTAINMENT

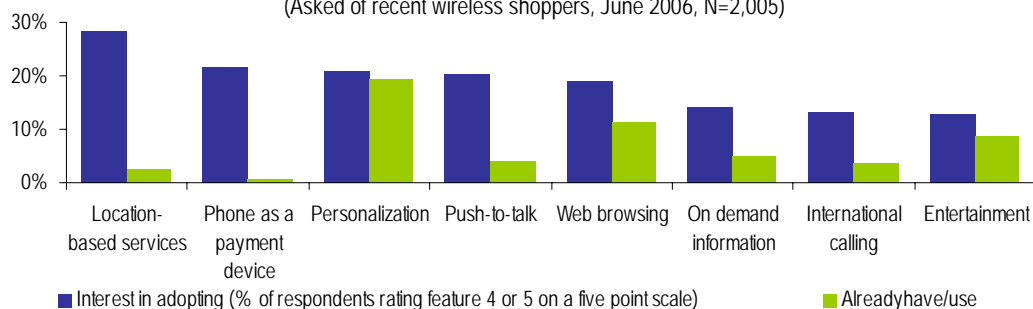
While mobile entertainment applications, including mobile video, grab most of the headlines in the wireless industry, consumers are exhibiting even more interest in productivity tools that help them manage their lives. When Compete asked online wireless shoppers about interest in purchasing various wireless-related services, respondents indicated they were more interested in convenience-specific than consumption-specific applications.

With interest plotted against adoption, capabilities such as location based services (defined as navigation and tracking in the survey), using the phone as a payment mechanism, push-to-talk and international calling show the largest opportunity to close the gap between what consumers want and what they don't yet use.

Given the breadth of productivity-oriented applications, delivering the right message about the right application will be crucial to carriers and third parties trying to encourage adoption of revenue-generating data services. Those who achieve success will need to have a detailed understanding of who their customers are and how those customers use productivity tools, such as email, calendars and related functionality in other parts of their lives.

#### How interested are you in purchasing the following services or features for your cell phone?

(Asked of recent wireless shoppers, June 2006, N=2,005)



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