

# Advertising

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This presentation contains forward looking statements.

Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business.

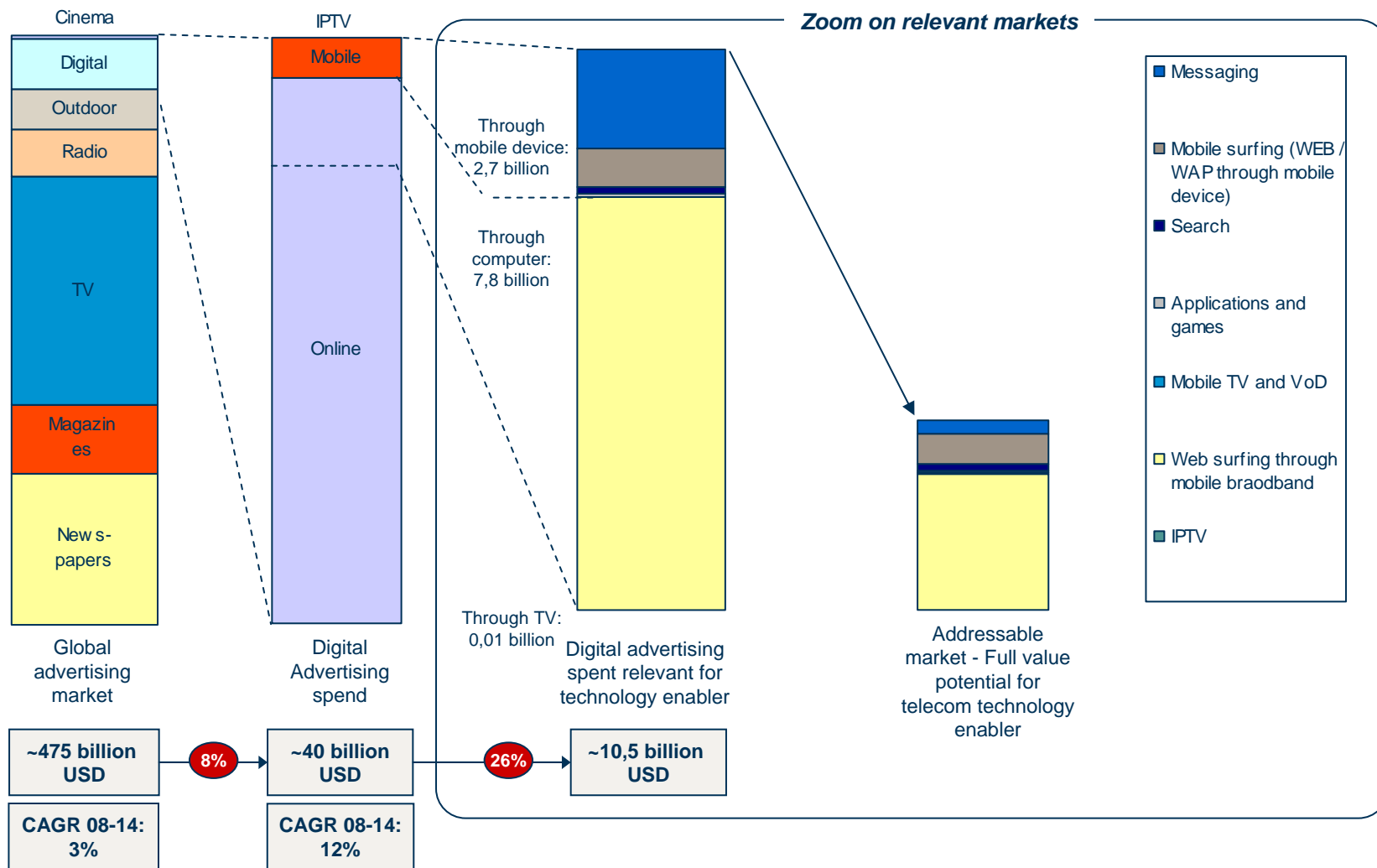
Please read our earnings reports and our most recent annual report for a better understanding of these risks and uncertainties.

# Executive summary

- Ericsson is excellerating the advertising efforts by increasing the telecom technology share in the value chain

# Advertising market addressable for technology enabler

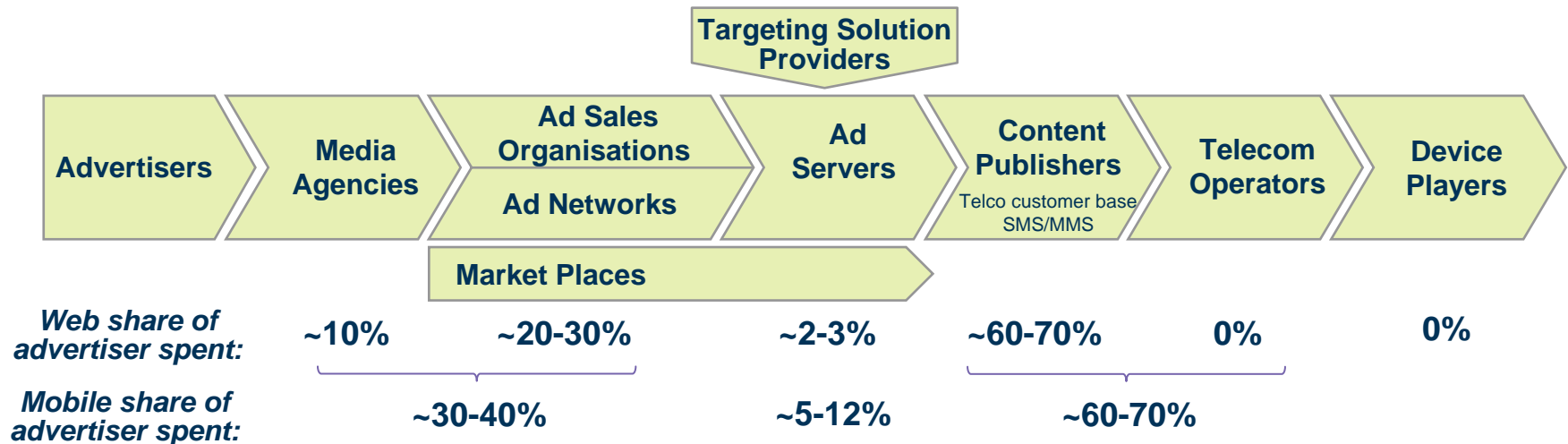
## Advertising market breakdown 2008



Sources: Various external sources and Ericsson internal

# Digital Advertising Value Chain

*Digital Advertising value chain and value distribution*



The value distribution of the digital advertising value chain is today centered around sales and publishing

# What is the CPM rate?

CPM rates are holding steady, but are expected to drop over time as the advertising market matures.

Typical CPM for Mobile Advertising in USA = \$15-\$30

Germany - Vodafone

\$77

Germany - O2

\$123

UK - O2

\$20-\$40

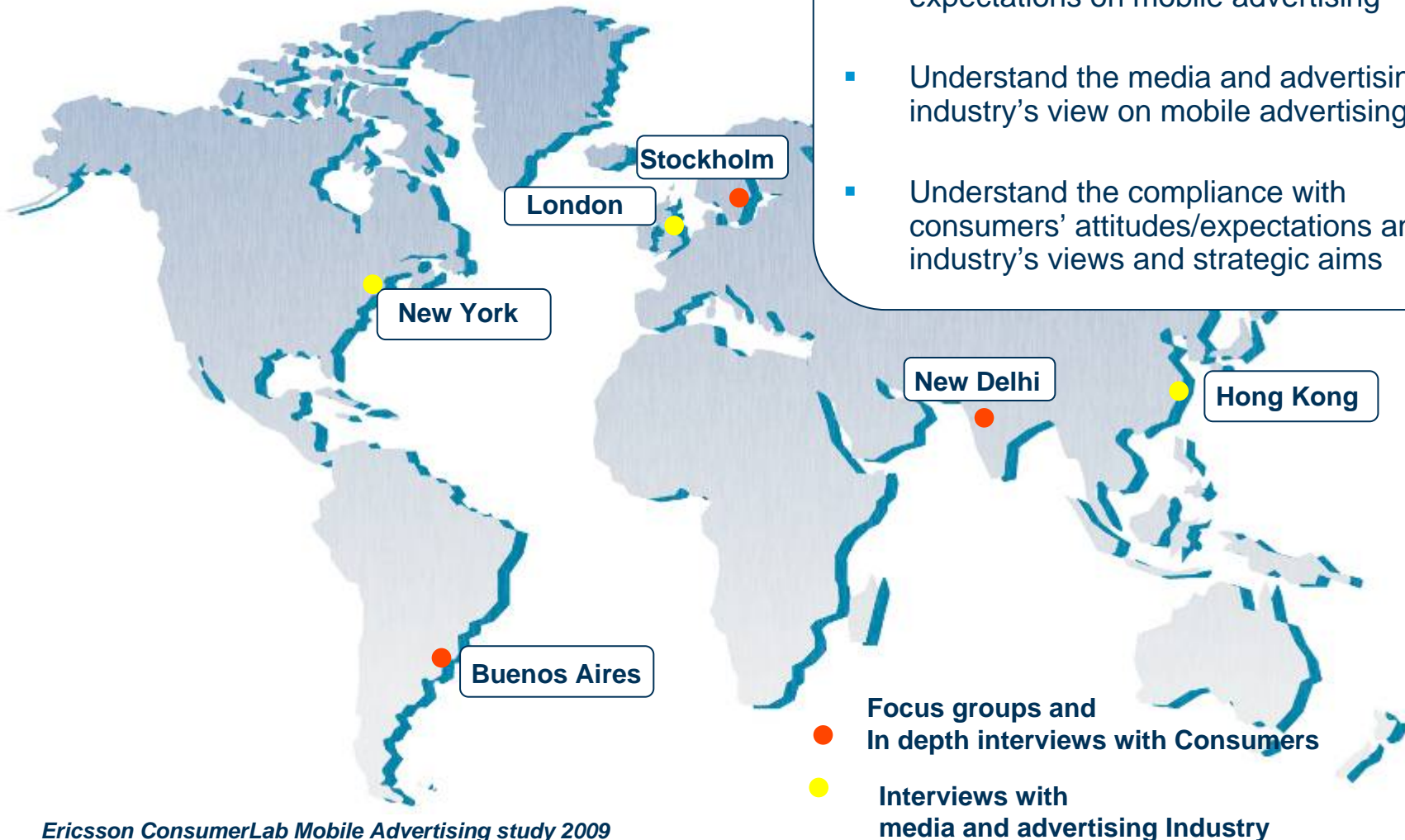
The CPM levels variation across regions seems to occur due to the market maturity in terms of ARPU levels.



# Mobile Advertising study

## The main objectives of the study

- Understand consumers' attitudes to and expectations on mobile advertising
- Understand the media and advertising industry's view on mobile advertising
- Understand the compliance with consumers' attitudes/expectations and the industry's views and strategic aims



# Mobile Advertising

- from Skeptical to Positive reaction

Today, mobile advertising awakens mostly negative attitudes...

Spontaneous reaction based on today's experience



**SKEPTICAL**

Imposed  
Intrusive  
Disturbing  
Irrelevant  
Costly

But with the consumers requirements in place..

Relevance  
Control  
Agreement  
Immediate value  
Uncomplicated  
No cost

..it will be **POSITIVE**

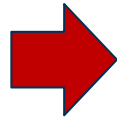
Interesting information  
Positive surprise  
Convenient  
Entertaining  
Exclusive  
Save money



...but has a strong potential to become a positive consumer experience

# The aim of the Industry

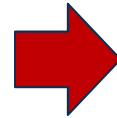
The aim of the Mobile marketing industry is to use the Mobile channel for..



**CONSUMER TARGETING**  
**CONSUMER AND MEDIA ACTIVATION**  
**CONSUMER ENGAGEMENT**

**BUT....**

**..there are a number of barriers to overcome**



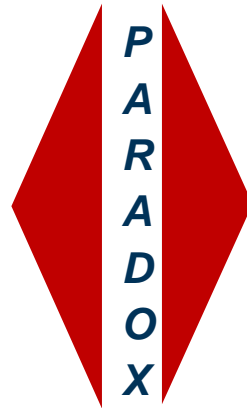
*"Admittedly, in the long term future, the mobile is by far the strongest channel. The problem is no one has figured out how."*

**Henry Wood, Profero**

**Lack of metrics**  
**Lack of global standards**  
**The operators**  
**Limited inventory**  
**The unavailable "USP" of the mobile channel**  
**Handset limitations**  
**Immature brands**  
**Lack of best practice cases**  
**The media agency business model**

# The channel development paradox

**The professional market understands the channel, but don't prioritize it**



**The channel can only develop if the professional market really utilizes it**



**...all the while the “cowboys” are ruining the consumer experience**

# Key to success

## THE OPERATORS



Control the consumer today

## THE MEDIA AGENCIES



Control the budgets today

## Who should be the first mover?

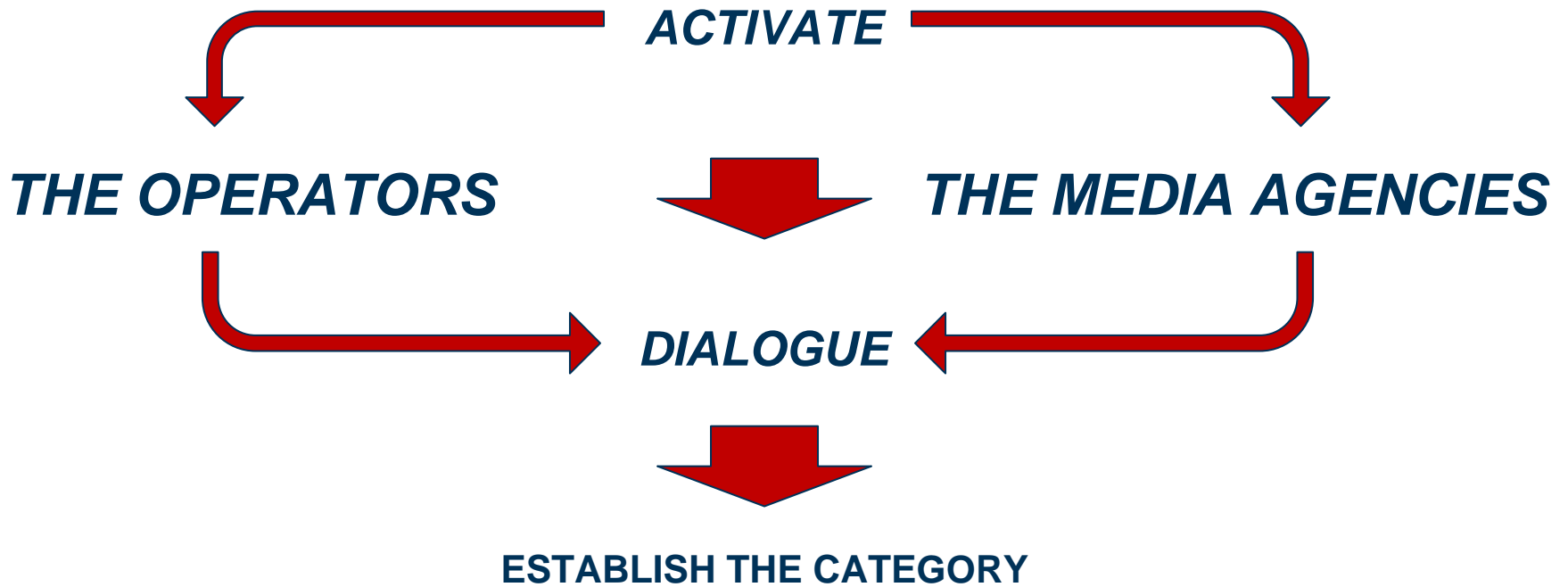
Should the **operators** move first and open up access to their networks and customer base to mobile advertising, thereby releasing much of the potential in the channel...



...or should the **media agencies** go first by “showing the money” to make mobile advertising an attractive source of revenue to the operators?

# Key to success

Release the potential of mobile advertising



**Operators and media agencies need to enter the market simultaneously**

# To make it happen

## Ensure consumer acceptance



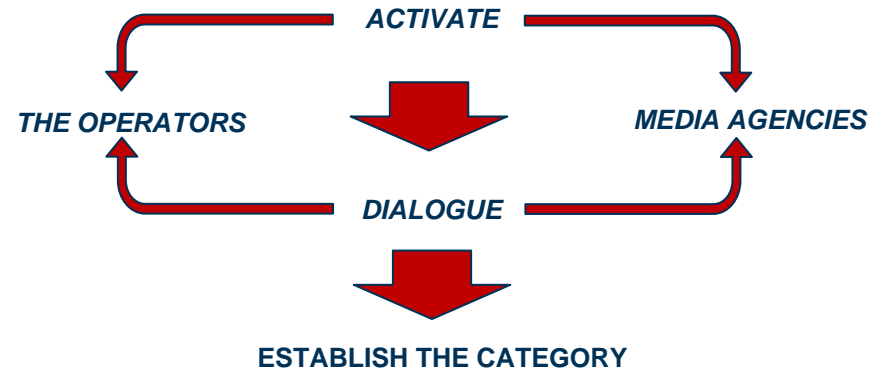
### by fulfilling the Consumer requirements

- Hygiene factors
- Agreement
- Control
- Relevance
- Immediate value
- Uncomplicated

Opt-in



## Remove industry barriers



and

## Activate the targeting potential



Ericsson ConsumerLab Mobile Advertising study 2009

# It is all about Relevance and Reach

## Relevance

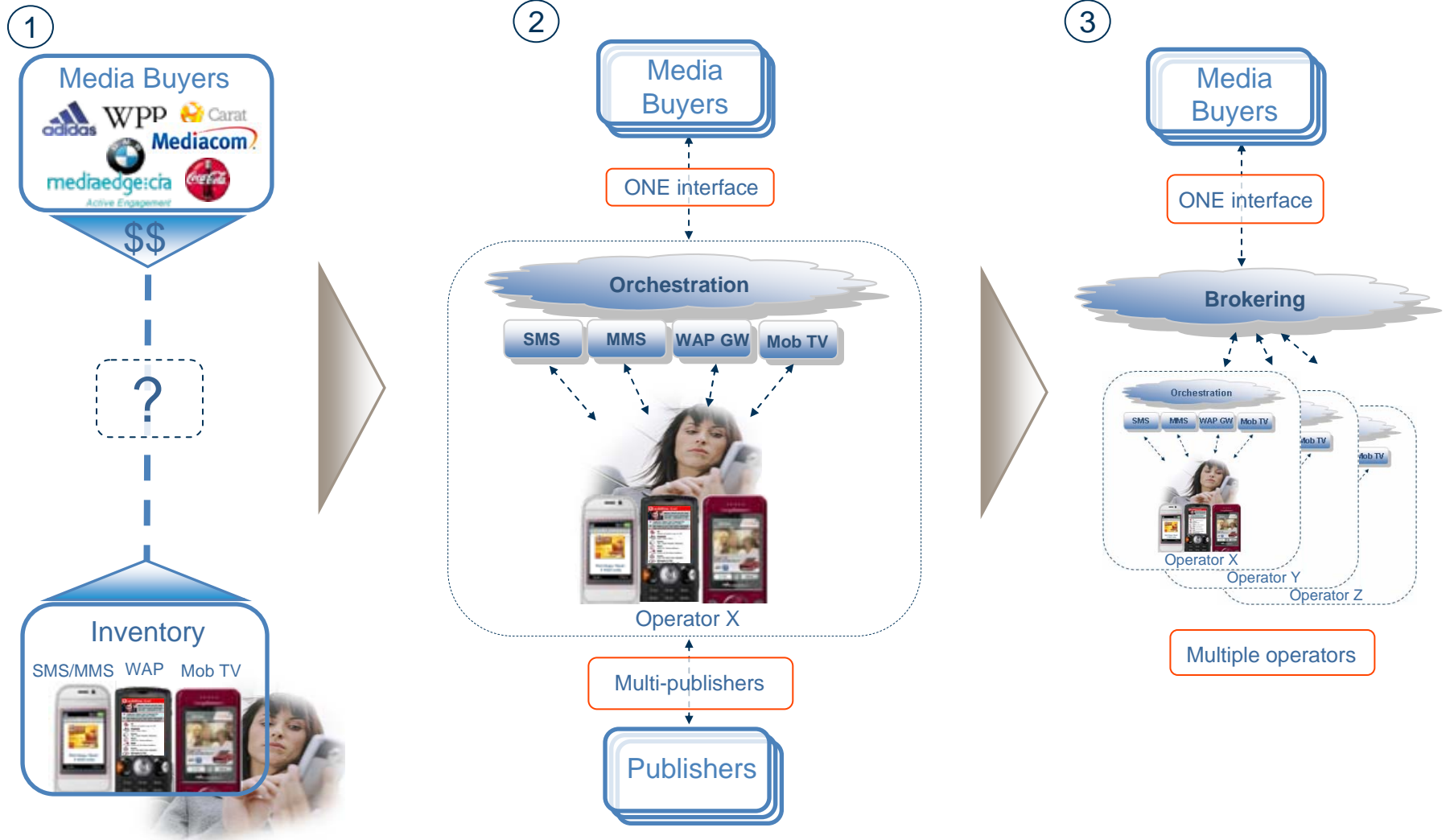
- Delivering the right content in the right context to the right person
- Targeted and personal, but not intrusive

## Reach

- Reach as many people as possible
- Across media, platforms, service, devices and territories



# Reach users with relevant advertising



Ericsson Ad Orchestrator  
Enablers and Enhancers

Ericsson Ad Broker

# Meeting the advertising industry needs

- The partnership program



# Q & A

**ERICSSON**



**TAKING YOU FORWARD**