Understanding Local Mobile Consumer Behavior

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VP Industry Marketing
AT&T . . . . An Integrated Carrier

Telephone  Broadband  Wireless  TV: UVerse  Media  Advertising

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Research Background and Summary

• In March 2011, Nielsen surveyed over 1500 smartphone, feature phone, and tablet owners who have used their device to search for local business on their mobile device (by mobile web or app).
  • In this report, these users will be referred to as “Local Mobile Searchers”

• The objective of this study was to provide insights into the role of mobile devices in search, decision making, and advertising, specifically:

  • **Discovery and purchase:** how consumers research, compare, and make purchase decisions

  • **Lifestyle and consumption:** Focused on location based services (LBS)

  • **Mobile apps vs. mobile web:** Comparisons of users and usage

• The following presentation has been condensed from the topline report and formatted for an industry conference audience

All data in this study are the result of answers to questions posed by Nielsen. No other means, including any AT&T assets, were used to confirm responses or collect data.

The study and all results are owned by AT&T and not available for purchase from Nielsen.

The respondent base is all local mobile searchers surveyed, unless otherwise cited.
Local Mobile Searchers are Connected!

- Local mobile searchers have a smartphone, a PC, and many have an MP3 player
- Male searchers over-index on both smartphones and tablets

Device Ownership for Local Mobile Searchers

<table>
<thead>
<tr>
<th>Device Type</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Computer</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>90%</td>
<td>86%</td>
</tr>
<tr>
<td>MP3/Portable Media Player</td>
<td>62%</td>
<td>65%</td>
</tr>
<tr>
<td>Advanced Mobile Phone</td>
<td>34%</td>
<td>31%</td>
</tr>
<tr>
<td>Tablet Computer</td>
<td>17%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: The Nielsen Company
Compared to All Smartphone Owners, Local Mobile Searchers Are More Likely to Be Young Adults 25-34 or 55+

Age Profile for Local Mobile Searchers

18-24 years
- All Smartphone Owners: 14%
- Male Mobile Local Searchers: 8%
- Female Mobile Local Searchers: 5%

25-34 years
- All Smartphone Owners: 28%
- Male Mobile Local Searchers: 41%
- Female Mobile Local Searchers: 37%

35-44 years
- All Smartphone Owners: 31%
- Male Mobile Local Searchers: 13%
- Female Mobile Local Searchers: 14%

45-54 years
- All Smartphone Owners: 18%
- Mobile Local Searchers: 15%
- Female Mobile Local Searchers: 15%

55+ years
- All Smartphone Owners: 9%
- Male Mobile Local Searchers: 23%
- Female Mobile Local Searchers: 16%

*Source: The Nielsen Company, Nielsen Mobile Insights, 2010
Local Restaurant/Dining Establishments Most Researched on Mobile Devices, Followed By Entertainment and Retail/Grocery Businesses

Local Business Categories Searched for in the Past Month

- Restaurant or Dining: 66%
- Entertainment: 46%
- Retail or Grocery: 40%
- Travel: 21%
- Automotive: 18%
- Health or Beauty: 15%
- Professional Services: 9%
- Contractors: 5%
- None of the above: 16%

Source: The Nielsen Company
YP Users Are Most Likely to Search For Contractors or Professional Services

Top Mobile Search Categories for YP users (Web or App)

- Contractors: 16% Visited Website, 13% Used Mobile App, 10% Not sure if Mobile App or Website
- Professional Services: 16% Visited Website, 11% Used Mobile App, 6% Not sure if Mobile App or Website
- Health and Beauty: 11% Visited Website, 12% Used Mobile App, 3% Not sure if Mobile App or Website
- Automotive: 11% Visited Website, 7% Used Mobile App, 4% Not sure if Mobile App or Website
- Travel: 8% Visited Website, 8% Used Mobile App, 5% Not sure if Mobile App or Website
- Retail or Grocery: 8% Visited Website, 5% Used Mobile App, 4% Not sure if Mobile App or Website
- Restaurant or Dining: 7% Visited Website, 6% Used Mobile App, 4% Not sure if Mobile App or Website
- Entertainment: 5% Visited Website, 4% Used Mobile App, 3% Not sure if Mobile App or Website

Source: The Nielsen Company
Those Who Were Looking For Professional Services or Contractors Information Were Most Likely to Click On a Mobile Ad

Clicked on a Mobile Advertisements When Searching for Local Information

- Professional Services: 22%
- Contractors: 20%
- Health or Beauty: 12%
- Automotive: 7%
- Retail or Grocery: 4%
- Travel: 4%
- Restaurant/Dining: 3%
- Entertainment: 2%

Source: The Nielsen Company
Dining, Retail and Grocery Searchers Are More Mobile

- People search for dining while out and about, especially in their cars
- Over half of restaurant/dining searches are done from the road!

### Percent of Searches Done While On-the-Go

<table>
<thead>
<tr>
<th>Category</th>
<th>In the Car</th>
<th>Other On the Go</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurants or Dining</td>
<td>50%</td>
<td>17%</td>
</tr>
<tr>
<td>Retail or Grocery</td>
<td>34%</td>
<td>28%</td>
</tr>
<tr>
<td>Automotive</td>
<td>48%</td>
<td>11%</td>
</tr>
<tr>
<td>Travel</td>
<td>25%</td>
<td>33%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>40%</td>
<td>11%</td>
</tr>
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<td>15%</td>
</tr>
<tr>
<td>Contractors</td>
<td>16%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Other On the Go includes: on public transport, outdoors, waiting in line, at a restaurant/bar, at a social gathering, or hotel.

Source: The Nielsen Company
Roughly Half of Male Local Mobile Searchers Have Allowed an App to Detect Their Location

Allowed an App to Detect Current Location to Suggest Nearby Businesses/Establishments (last 3 mos)

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>51%</td>
<td>46%</td>
<td>53%</td>
<td>54%</td>
<td>47%</td>
<td>42%</td>
<td>44%</td>
</tr>
</tbody>
</table>

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All data in this study are the result of answers to questions posed by Nielsen. No other means, including any AT&T assets, were used to confirm responses or collect data.
Over a Third of Local Mobile Searchers Allow Apps to Detect Their Location at Least Once a Week

Allow an App to Detect Location to Suggest Nearby Businesses or Establishment

- Never, 31%
- At Least Monthly, 20%
- Less Than Once a Month, 13%
- At Least Weekly, 36%
- Everyday, 7%
- Several times a week, 15%
- Once a week, 14%

Source: The Nielsen Company

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Local Mobile Searchers Give Location Information to Receive Suggestions on Nearby Businesses and Establishments

Allowed an App to Detect Current Location to Suggest Nearby Businesses/Establishments

- Restaurants or Dining: 22%
- Health or Beauty: 22%
- Automotive: 19%
- Retail or Grocery: 17%
- Professional Services: 15%
- Travel: 14%
- Entertainment: 14%
- Contractors: 12%

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About 2/3 of Local Mobile Searchers See Ads Weekly

Frequency of Encountering Mobile Advertising

Visit Websites on your phone/mobile device

- Everyday: 25%
- Weekly: 42%
- Monthly: 13%
- Less than Once a Month: 7%
- Never: 13%

Use Mobile Apps

- Everyday: 26%
- Weekly: 36%
- Monthly: 13%
- Less than Once a Month: 8%
- Never: 17%

Source: The Nielsen Company
1/4 of Local Mobile Searchers Click On Mobile Ads at Least Weekly

**Frequency of Clicking on Mobile Advertising**

Visiting Websites on your phone/mobile device
- Everyday: 7%
- Weekly: 17%
- Monthly: 10%
- Less than once a month: 13%
- Never: 54%

Using Mobile Apps
- Everyday: 7%
- Weekly: 17%
- Monthly: 10%
- Less than once a month: 13%
- Never: 53%

Base: All those who ever clicked on advertising (n=640)

Source: The Nielsen Company
If the Ad Is Relevant or Offers a Discount, Searchers Will Click On It

Top Reasons for Clicking on Mobile Advertising

- A brand/product that I am interested in: 36%
- Deal, promotion, or coupon: 33%
- Relevant to what I was searching: 31%
- Informative: 27%
- Visually appealing: 26%
- Easy to understand: 19%

Source: The Nielsen Company
64% Of Searchers Are Interested in Customized Promotions – 46% Have Responded

Interest in Receiving Customized Promotions
Base: All Mobile Local Searchers (n=1526)

- Somewhat Interested, 33%
- Very Interested, 21%
- Extremely Interested, 10%
- Not Very Interested, 21%
- Not at All Interested, 15%

Responded to Promotions or Deals Sent to My Phone/Device
Base: All Mobile Local Searchers (n=1526)

- Everyday: 46%
- Weekly: 14%
- Monthly: 14%
- Less than Once/mo: 5%
Compared to Smartphones, Tablet Users are Even More Likely to Allow Location Based Searches and Click On Ads

Activities Done in the Past 3 Months – by Device Type

- Allowed an app to detect my current location to suggest nearby businesses or establishment
  - Tablet: 65%
  - Smartphone: 53%

- Clicked on an ad while using an app or the mobile web
  - Tablet: 38%
  - Smartphone: 18%

Source: The Nielsen Company

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43% Of Local Mobile Searchers Walk Through the Door

Completed Local Search (100%)

- 43% Made a Purchase
- 22% Visited a Local Business
- 43% Contacted a Local Business

Source: The Nielsen Company
Leveraging our Leadership in Local for Mobile Display

Srini Mandyam
VP Mobile Engineering
App Developers Face a Dilemma - When Premium Inventory Runs Out, Remnant Ads Pay Poorly

Is there another way?

Fill rates

CPM’s

Premium ads

Fill rates

CPM

Remnant ads

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YP HyperLocal Ads:
High Fill Rates & High eCPMs

Potential Value to Publishers

- Higher fill rates than premium ads
- Higher eCPMs than remnant ads
- Minimum channel conflict with direct sales force
- Local ads are relevant to mobile users
- Local Mobile Ad Spend is growing

Sources: 1) Initial beta tests on Plusmo Sports apps from Sep-Oct 2010 yielded eCPM’s 2-3X higher than average performance of iAd, AdMob and Millennial Media. Results represent internal data which has not been subject to audit or third party review. 2) PENDING 3) PENDING 4) previously cited Nielsen study 5) BIA/Kelsey, US Mobile Ad Revenue Forecast (2009-2014), Dec 2010
Local Ad Network

The Premier Local Ad Network

- 5,000 strong sales force is industry’s largest

- 38.3 billion impressions served in 2010

- Over 350 top publisher sites and apps

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1Gordon Borrell, Borrell Associates, February 2011
HyperLocal Ads – User Experience

Results of Pilot Program:

eCPMs 2-3X higher than ads from comparable sources\(^1\)

\(^1\)Initial tests of the Ad SDK (beta) on Plusmo Sports apps from Sep-Oct 2010 yielded eCPM's 2-3X higher than average performance of iAd, AdMob and Millennial Media. Results represent internal data which has not been subject to audit or third party review.
HyperLocal Ads Uniquely Positioned to Provide Highest Possible eCPMs

**High Fill Rates**
HyperLocal has ads from nearly a million local advertisers ensuring superior coverage

**High CTR**
HyperLocal uses location based targeting to ensure high relevance

**Interactive Ads**
HyperLocal is built on technologies that enable a rich experience & multiple payable actions

High eCPM
Join the YP Local Ad Network today!

Local Ad Network

Three ways to contact us:

Web:  www.attinteractive.com/publishers

Email:  publishers@attinteractive.com

In person:  Talk to us now!