

JUNE 08, 2011



Presented by:

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#eMwebinar

@noahelkin

Mobile, Social and Geolocation—Key Trends for Marketers

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Agenda

- Mobile and social network usage: **Converging**
- **Mobile communication:** Evolving
- Location: Moving from **check-in to checkout**
- **Privacy concerns:** The dark side of location
- **Q & A**

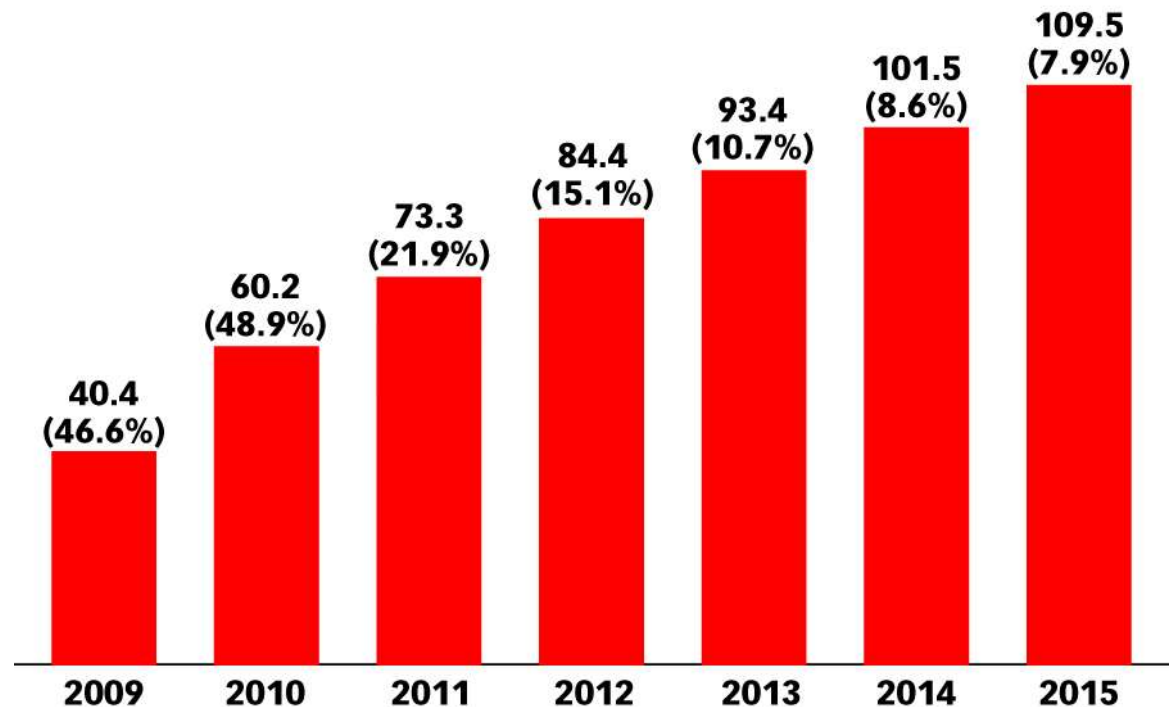


Context: Mobile and Social Converge

**Smartphone
usage
remains the
growth
engine of the
US mobile
market**

US Smartphone Users, 2009-2015

millions and % change



Note: individuals of any age who use a smartphone at least once per month

Source: eMarketer, Dec 2010

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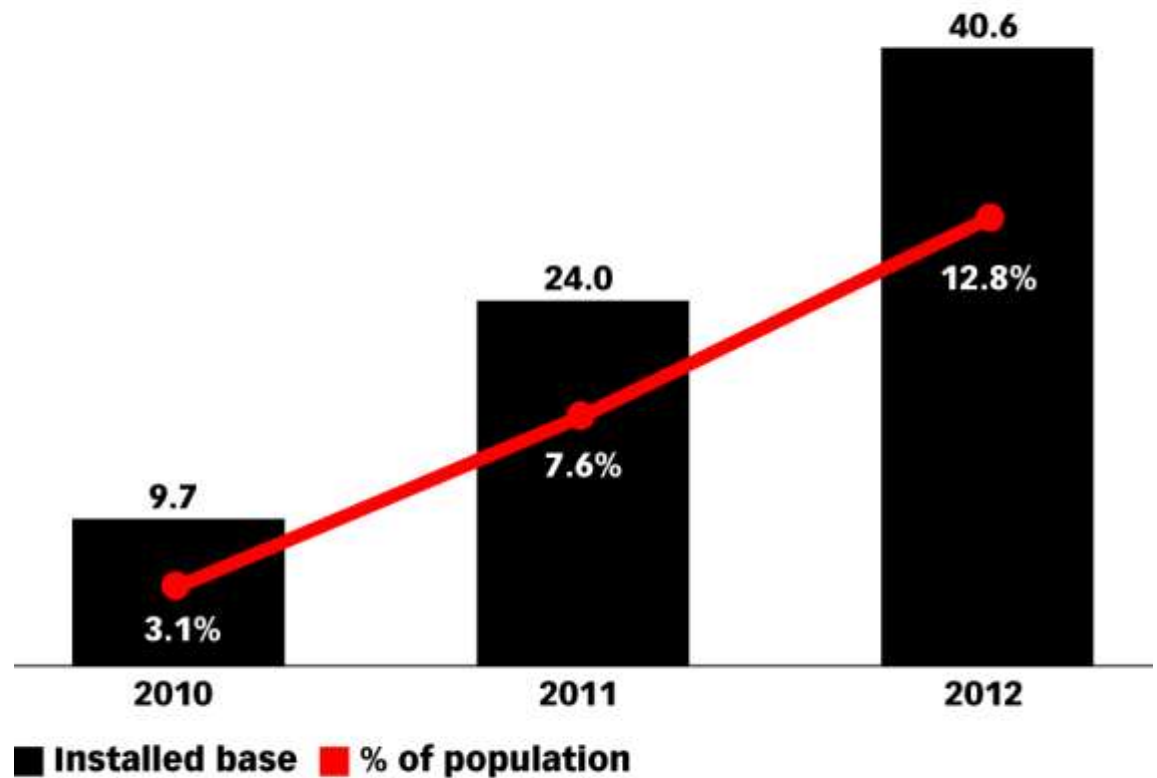
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The US is driving the majority of near-term tablet demand

US Tablet Installed Base, 2010-2012

millions and % of population



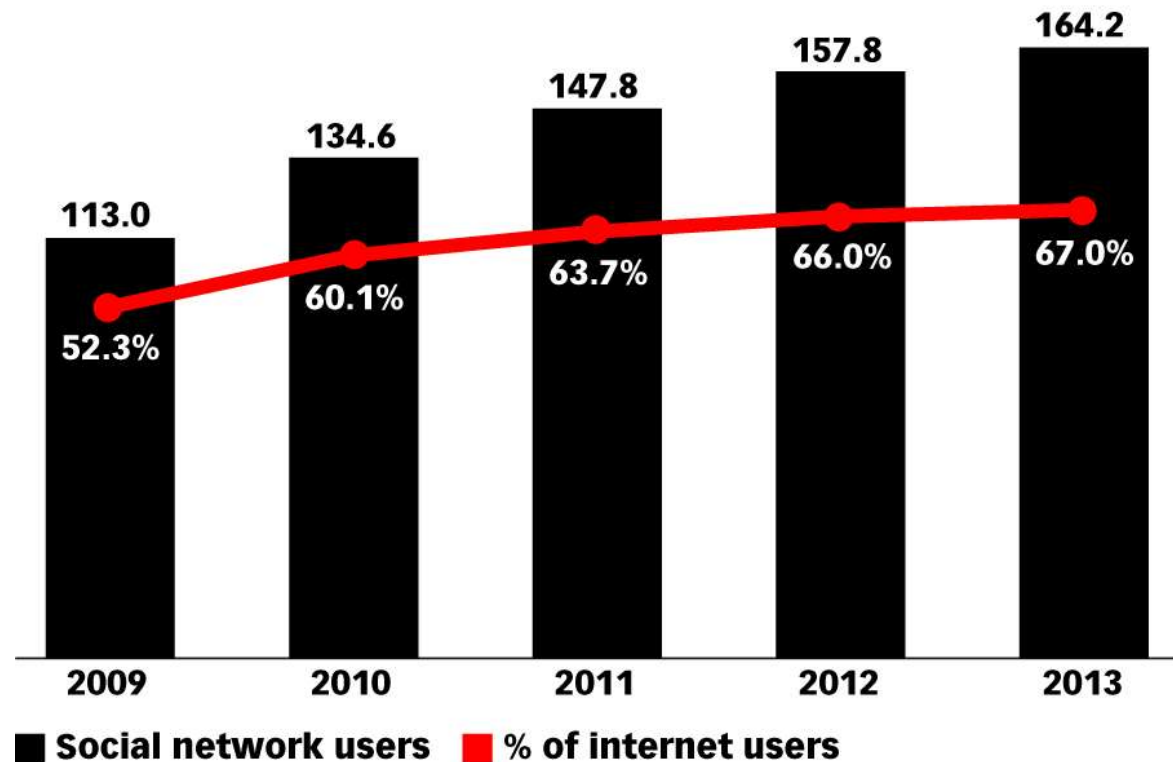
Source: eMarketer, Dec 2010

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**Social
networking
now reaches
nearly half of
the entire US
population**

US Social Network Users and Penetration, 2009-2013 *millions and % of internet users*



Note: internet users who use social networks via any device at least once per month

Source: eMarketer, Feb 2011

Much of this activity is concentrated in a single network: Facebook

US Facebook Users and Penetration, 2009-2013

	2009	2010	2011	2012	2013
Facebook users (millions)	84.3	116.8	132.5	143.4	152.1
—% change	90.3%	38.6%	13.4%	8.2%	6.1%
—% of social network users	74.6%	86.8%	89.6%	90.9%	92.6%
—% of internet users	39.0%	52.2%	57.1%	60.0%	62.0%
—% of population	27.4%	37.6%	42.3%	45.3%	47.6%

Note: CAGR (2009-2013)=10.3%; internet users who access their Facebook account via any device at least once per month

Source: eMarketer, Feb 2011

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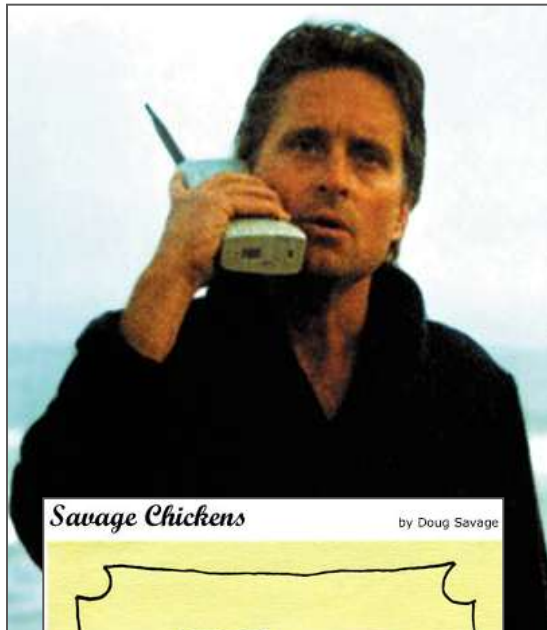
Mobile Communication Evolves



“My sense is that mobile devices are inherently social....”

—Bret Taylor, CTO, Facebook, speaking at the Inside Social Apps conference, Jan 25, 2011

Communication has likewise evolved



Forget about post-PC. Welcome to the post-phone era

Activities

- SMS
- Instant messaging
- (Video) calling
- Social networking

Platforms



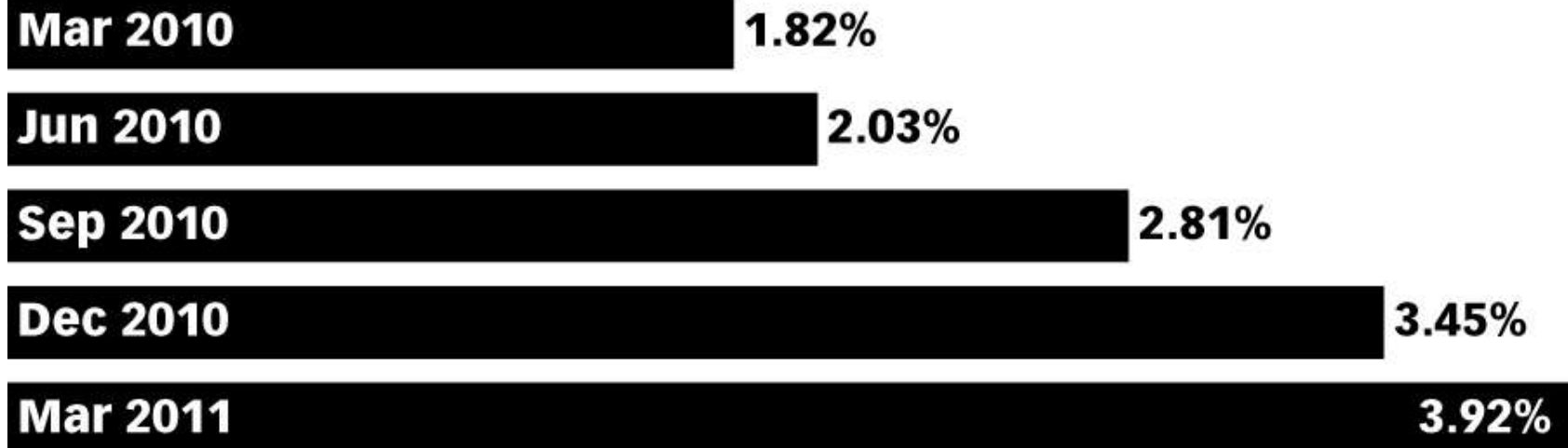
Devices



Mobile and web are becoming synonymous...

Mobile Internet Traffic Worldwide, Mar 2010-Mar 2011

% of total Internet traffic



Source: Net Applications report as cited in press release, April 1, 2011

...as internet access from mobile devices expands

US Mobile Internet Users and Penetration, 2009-2015

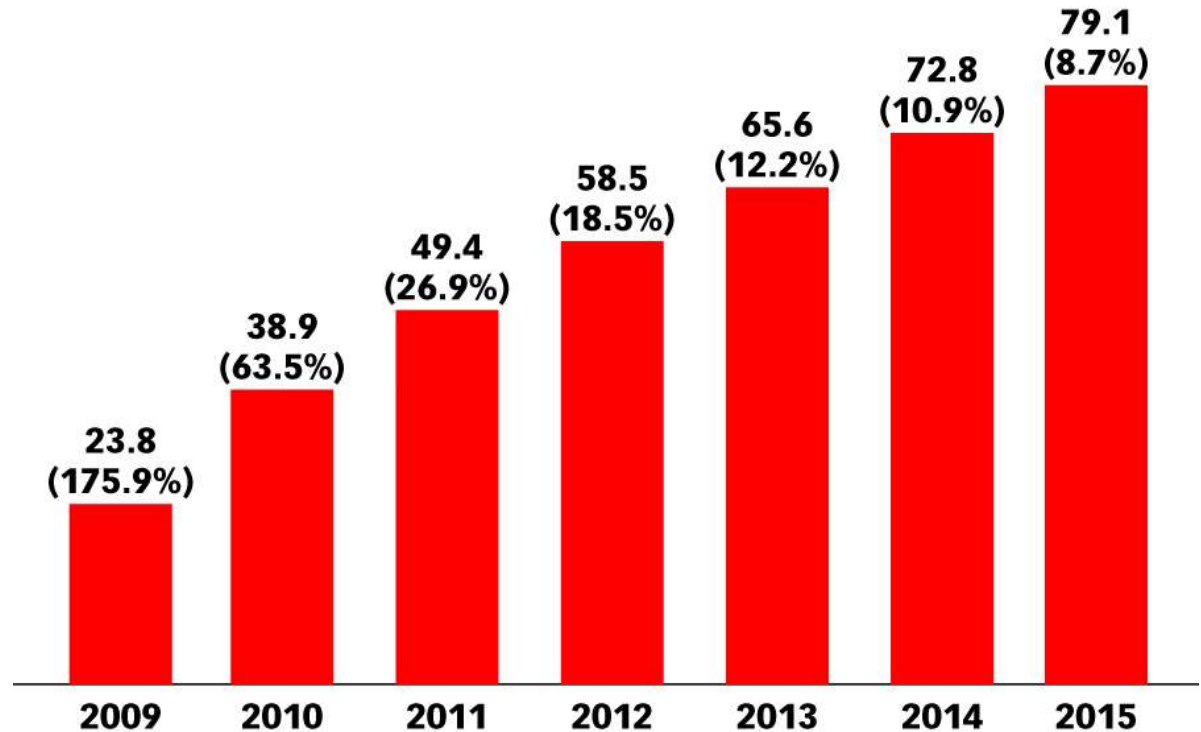
	2009	2010	2011	2012	2013	2014	2015
Mobile internet users (millions)	62.6	77.8	91.4	104.4	115.1	125.5	135.2
—% change	30.7%	24.3%	17.5%	14.2%	10.2%	9.0%	7.7%
—% of mobile phone users	27.9%	33.6%	38.6%	43.3%	46.8%	50.1%	53.1%
—% of population	20.4%	25.1%	29.2%	33.0%	36.0%	38.9%	41.5%

Note: CAGR (2009-2015)=13.7%; mobile phone users of any age who access the internet from a mobile browser or an installed application at least once per month; excludes SMS, MMS and IM

Source: eMarketer, Dec 2010

**Mobile
social
network
usage will
more than
double
between
2010 and
2015**

US Mobile Social Network Users, 2009-2015
millions and % change



Note: mobile phone users who have a profile and access social networks from a mobile browser or an installed application at least once per month
Source: eMarketer, Dec 2010

Social networking is a core mobile activity

Frequent Mobile Content Activities of US Mobile Phone and Smartphone Users, Feb 2011

% of respondents

Make calls or receive calls



Send or receive text messages



Browse the internet



Use social networking sites such as Facebook or Twitter



Listen to music you have transferred or downloaded to the phone



Play games



Listen to Pandora



Watch video



Listen to the stream of any FM or AM radio stations



Purchase an app



■ Smartphone users

■ Mobile phone users

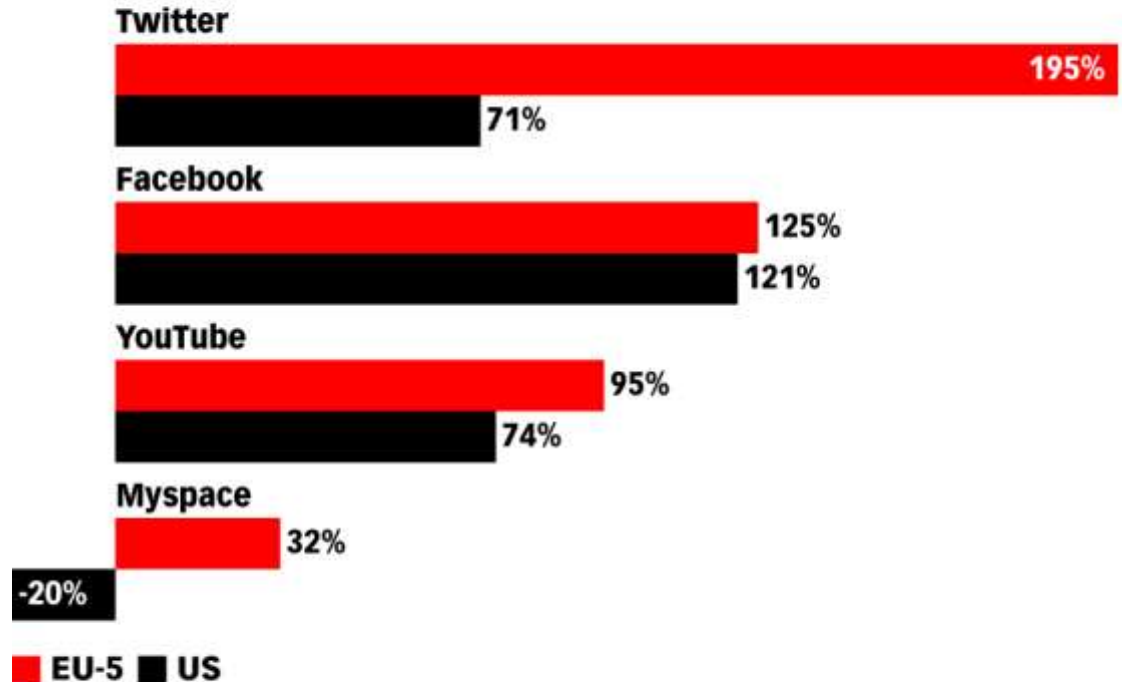
Note: ages 12+; used several times per day or more

Source: Arbitron and Edison Research, "The Infinite Dial 2011: Navigating Digital Platforms," April 5, 2011

**Growth in
mobile social
networking
activity is
similarly
concentrated**

Change in Use of Select Mobile Social Networks Among Mobile Subscribers in the US and EU-5, Dec 2010

% change vs. same period of prior year



Note: three-month average for period ending in Dec 2010

Source: comScore, Inc., "2010 Mobile Year in Review," Feb 14, 2011

Smartphone users gravitate to social sites

Types of Websites Visited via Smartphone According to US Smartphone Users, Q4 2010

% of respondents

Search engine

77%

Social network

65%

Retail

46%

Video-sharing

43%

General consumer

38%

Brand or manufacturer

26%

Review websites, blogs or message boards

25%

Health information

24%

Finance-related

24%

Travel-related

23%

Coupon

18%

Full-length TV programming

17%

Magazine

15%

Other

14%

Note: n=5,013 ages 18-64

Source: Google and Ipsos OTX MediaCT, "The Mobile Movement:
Understanding Smartphone Users," April 27, 2011

**Social
networking
is also a key
part of the
larger media
ecosystem
smartphone
buyers deem
essential**

**Leading Factors Considered When Purchasing a
Smartphone vs. Other Mobile Phones According to US
Mobile Subscribers, Dec 2010**

*scale of 1-10**

Phone OS



Selection of apps



Music/video capabilities



Brand name of phone



Social networking features



■ **Smartphone**

■ **Other mobile phones**

*Note: *10=most important*

Source: comScore, Inc., "2010 Mobile Year in Review," Feb 14, 2011

Tablets have quickly become daily fixtures for many activities

Tablet Activities of US Tablet Owners, March 2011

% of respondents

Playing games

84%

Searching for information

78%

Emailing

74%

Reading the news

61%

Accessing a social network

56%

Consuming entertainment (music, videos)

51%

Reading ebooks

46%

Shopping online

42%

Other

19%

Source: AdMob, "Tablet Survey," April 7, 2011

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Larger screens mean more satisfied users



Image courtesy of The New Yorker

Satisfaction* with Select Mobile Content via Tablet vs. Smartphone, Dec 2010

% of US tablet or smartphone owners

Internet



Email



Social networking



■ Tablet

■ Smartphone

Note: read chart as saying 67% of tablet owners were very satisfied with email on their tablet while 59% of smartphone owners were very satisfied with email on their smartphone; *those saying they were "very satisfied" Source: The NPD Group, "Evolving Technology Trends" as cited in press release, Feb 18, 2011

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Location Is More Than Just a Check-In

Location-based services have surged, but have yet to break through to the mainstream

Awareness and Usage of Location-Based Apps Among US Smartphone Users, Feb 2011

% of respondents



Awareness of location-based apps



Usage of location-based apps

Note: n=437 ages 14+

Source: White Horse, "Lost in Geolocation: Why Consumers Haven't Bought It and How Marketers Can Fix It," April 13, 2011

Many marketers also remain on the sidelines

Location-Based Advertising Sites that US Ad Agencies Plan to Use in 2011

% of respondents

Facebook Places 18.5%

foursquare 18.5%

3.7% Gowalla

Other 8.6%

Location-based advertising is not in our plans for 2011 63.0%

Source: STRATA, "1st Quarter 2011 Survey Results," April 25, 2011

127237

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Interest in location-specific services beyond the check-in is growing

Location-Based Services that Are of Most Interest to Mobile Wi-Fi Users in North America, Q4 2010 & Q1 2011

% of respondents

Store locations



Points of interest



Checking in



Sales/promos/coupons



Reviews



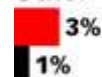
Connect with others



Product inventory



Other



None



■ Q4 2010

■ Q1 2011

Source: JiWire, "Mobile Audience Insights Report: Q1 2011," May 24, 2011

Usage is
most
developed
in the US...

Frequency of Location-Based Service Usage Among Location-Based Service Users in Select Countries, Dec 2010

% of total

US (n=150)



UK (n=129)



Canada (n=178)



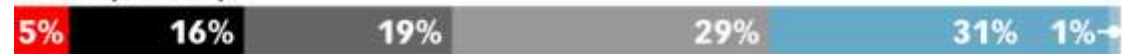
Germany (n=142)



Japan (n=172)



Total (n=771)



Note: numbers may not add up to 100% due to rounding

Source: Microsoft, "Location Based Services Usage & Perceptions Survey" conducted by Cross-Tab Marketing Services, Jan 26, 2011

...and users
tend to be
in the
vanguard

Select Mobile Activities of US Check-In Service* and Smartphone Users, March 2011

% of respondents

	% of smartphone users	% of check- in service users	Index**
Used application	85.0%	97.5%	115
Used browser	82.3%	96.3%	117
Accessed news	47.2%	61.9%	131
Accessed restaurant information	27.6%	45.9%	166
Accessed tech news	27.1%	40.3%	149
Recall seeing web/app ads	27.5%	38.7%	141
Accessed online retail	17.9%	32.6%	182
Media tablet user	19.6%	28.2%	144
Accessed shopping guides	14.3%	25.0%	176
Accessed travel service	11.8%	22.0%	186

*Note: three-month average for period ending March 2011; *e.g., Facebook Places, foursquare and Gowalla; **percent of check-in service users/percent of smartphone users x 100*

Source: comScore MobiLens as cited in press release, May 12, 2011

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Geolocation apps serve several key niches

Gaming	Deals	Communication & Community
    	   	        

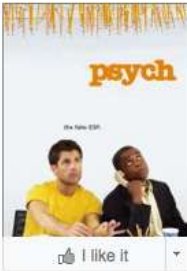
Use case: USA Networks checks in with 'Psych' fans on GetGlue

 [Login](#)

Check-in to this tv show on GetGlue

Connect with your friends and fans around entertainment you love. Check-in and rate things to discover new favorites, get stickers and discounts.

[f Connect with Facebook](#) OR [create a free account](#)



Psych

Starring [James Roday](#), [Dulé Hill](#), [Timothy Omundson](#)

With his uptight father (Corbin Bernsen) in charge of the Santa Barbara Police Department's consultants, incredibly charming and talented phony psychic Shawn (James Roday) must now work extra hard to land new investigation gigs for him and his trusty partner Gus (Dulé Hill). Season 5 of this quirky crime show finds the private detectives... [more](#)

Ranked 73rd most popular this week. Up from 100+ last week. Appears in favorite tv shows and popular tv shows.

[I like it](#)

Share [f](#) [t](#) [e](#)

[Recent](#) [Top Rated](#)

Stickers

Psych stickers from our friends at USA Network



Visits	Likes	Check-ins
34,642	27,280	74,831

Recent Check-ins 62

Checking in
is motivated
by the
prospect of
value
exchange:
obtaining
useful
information
and finding
deals

Reasons for Using Geolocation Apps, June 2010

% of UK & US mobile internet device owners

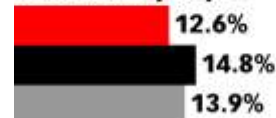
Get informed



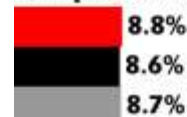
Meet up with friends



Meet new people



Competition (e.g., for badges, location "mayor")



■ UK (n=454)

■ US (n=752)

■ Total (n=1,206)

Source: Webroot survey conducted by e-Rewards, July 13, 2010

118111

www.eMarketer.com

Most Valuable Aspect of "Checking In" to a Location via a Mobile App, Sep 2010

% of US mobile Wi-Fi users

Deals and promotions 29%

Sharing my location 17%

14% Association with cool places

7% Scoring points

Don't check in 51%

Source: JiWire, "Mobile Audience Insights Report: Q3 2010," Nov 17, 2010

122103

www.eMarketer.com

Use case: JetBlue goes places with Facebook

The screenshot shows the JetBlue Airways Facebook page. The left sidebar contains a post about 'FIRST BAG FLIES FOR FREE' with an illustration of people with luggage, the JetBlue logo with the tagline 'YOU ABOVE ALL', and navigation links for Wall, Info, You Above All, and Celebrity Baggage. The main content area features the 'Go Places' promotion, which includes a list of steps to register and a 'Let's Go' button. The promotion details earning special offers, TrueBlue points, and exclusive badges for checking into Official JetBlue Terminals on Facebook Places. A note states that a TrueBlue membership is required and that signing up is free. At the bottom, a disclaimer mentions that submitting a TrueBlue number and email makes the user eligible for the JetBlue Go Places Loyalty Promotion.

facebook

Search

JetBlue Airways ▸ Go Places Like

Travel/Leisure

Go Places

Earn special offers, TrueBlue points, and exclusive badges for checking into Official JetBlue Terminals on Facebook Places.

1. Register with Go Places
2. Check in with your mobile phone on Facebook Places
3. Go Places will automatically credit your points

A TrueBlue membership is required. **Sign up now, it's free!**

Let's Go

By submitting your TrueBlue number and Email you are making yourself eligible for the JetBlue Go Places Loyalty Promotion.

Focus is shifting from the check-in...

foursquare®



brightkite

Gowalla

yelp

buzzd®

checkpoints

where®

scvngr

shopkick™

GetGlue

myTown

PHILO

whrrl

loopt®

miso



...to the checkout

The Groupon logo, featuring the word "Groupon" in a bold, white, sans-serif font on a black rectangular background.

facebook



Wall
Info
Friend Activity
Deals
Photos

About
Covewater SUP offers stand up
paddleboarding lessons,
equipment, and more!

1 check-in

Add to My Page's Favorites
Create a Page
Report Page
Share

Santa Cruz, CA - Provided by Best

**Introductory Stand Up Paddleboard Class with
Covewater SUP in Santa Cruz**
\$35 now - \$70 value

Buy Now Share Like

6 days 19 hours left



Discover the thrill of stand up paddleboard with this intro class. You'll paddle around the serene waters of Santa Cruz Harbor. Work up a sweat while enjoying scenic views & local wildlife. Get up close and personal with sea birds, otters and seals. Stand up paddleboard is the kinder, gentler version of surfing.

Saving made
simple

Your Google Offers
automatically sync to
your Google Wallet.
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Milo 

ebay

Where

PayPal

The next wave in location revolves around **enabling commerce**

- **Lots of attention on time-sensitive deals.** But an open question remains: Are daily deals good deals for merchants? Or are they giving away the store?
- **Growing emphasis on generating loyalty.** Local merchants and national brands alike recognize that customer acquisition needs to be balanced with customer loyalty.
- **Ad dollars will follow shoppers.** The combination of location, mobile, social and commerce will form a potent force in the advertising market.

Best practices: Location-based marketing

- Don't rush in without a **roadmap**.
- Consider whether location is **right for your brand**.
- Choose the right **partners**.
- **Look before** and **after** the check-in.
- Encourage competition, but tie virtual rewards to the **real world**.
- Incorporate **nonmonetary** rewards.
- **Measure the value** that location provides the brand.



Privacy Concerns Re-emerge

Big Brother is tracking you

Pogue's Posts

The Latest in Technology From David Pogue

April 21, 2011, 12:36 PM

Your iPhone Is Tracking You. So What?

IT Security & Network Security News

**Mobile Phone Geo-Tracking Means You Can Run,
but You Can't Hide**

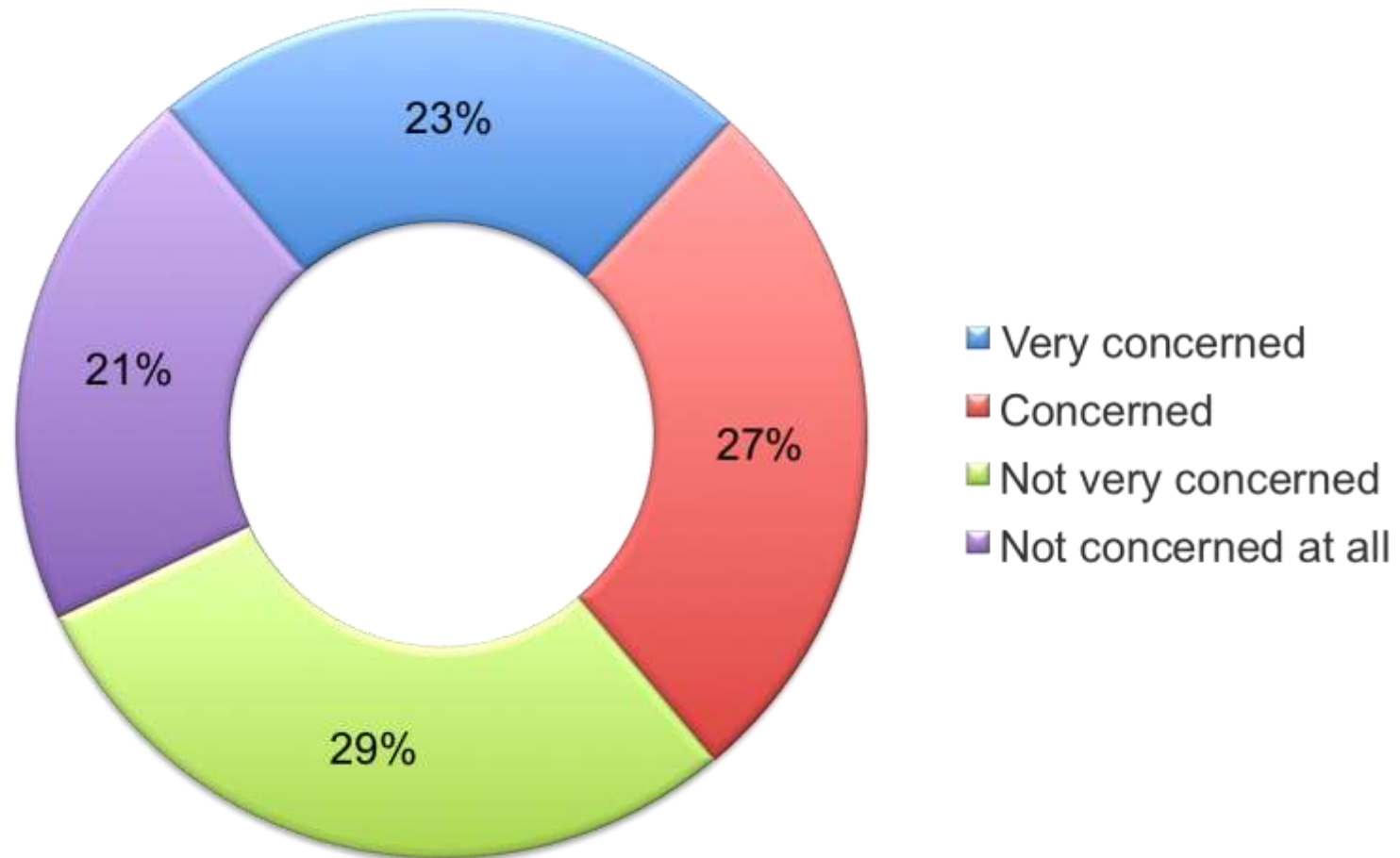
BUSINESS CENTER

Apr 29, 2011 12:52 pm

Who Else Is Tracking Your Location?

By Tony Bradley, PCWorld

Half of social network users express privacy concerns

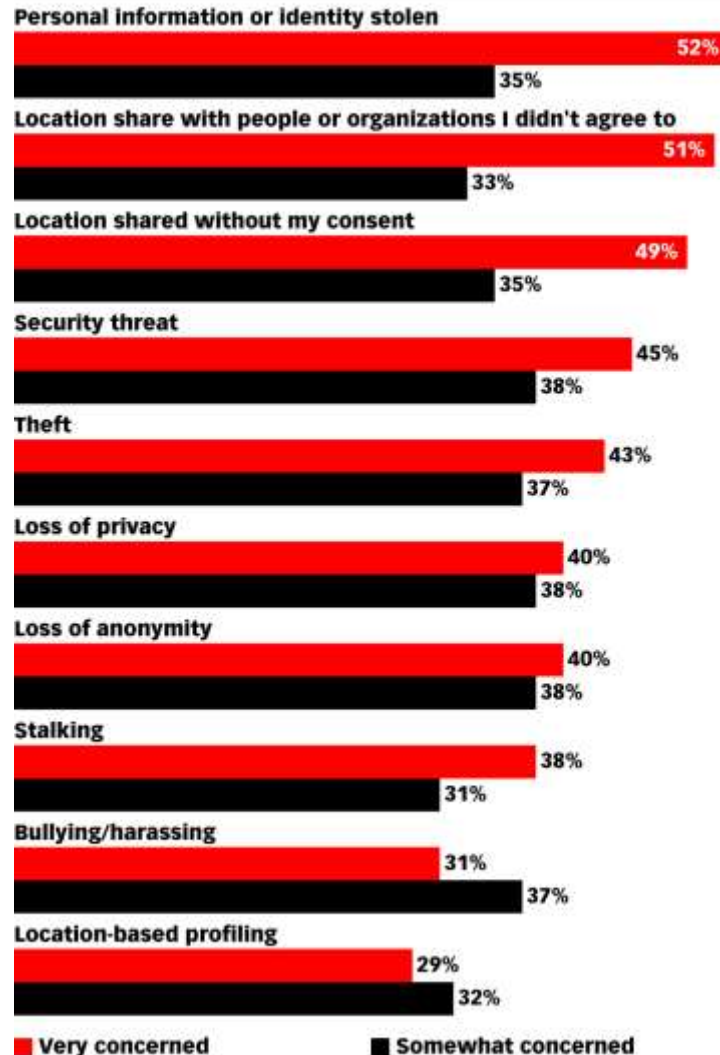


Source: Marist Institute, July 2010

**Similar
issues
persist
among
geolocation
users...**

Concerns About Location-Based Services According to Location-Based Service Users in Select Countries, Dec 2010

% of respondents



Note: *Canada, Germany, Japan, the UK and the US
Source: Microsoft, "Location Based Services Usage & Perceptions Survey"
conducted by Cross-Tab Marketing Services, Jan 26, 2011

...but results
vary by
demographic

US App Downloaders Who Are Concerned About Privacy When Using Location-Based Services or Check-In Apps, by Gender, April 2011

% of respondents

Female



Male



■ Concerned ■ Indifferent ■ Not concerned

US App Downloaders Who Are Concerned About Privacy When Using Location-Based Services or Check-In Apps, by Age, April 2011

% of respondents

13-17



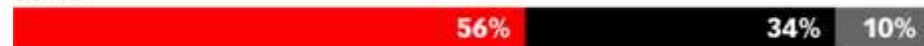
18-24



25-34



35-44



45-54



55+



■ Concerned ■ Indifferent ■ Not concerned

Note: numbers may not add up to 100% due to rounding; among mobile subscribers who have downloaded an application in the past 30 days

Source: The Nielsen Company as cited in company blog, April 21, 2011

Key takeaways

- **Consumers' mobile and social networking behaviors are merging.** Brands need to align their mobile and social media marketing in response.
- **Activities and platforms take precedence in the post-phone era.** Communication is increasingly about the exchange of data across platforms. That said, focusing on the distinctions between device form factors will lead to payoffs in user experience.
- **A comprehensive strategy around location is a must for generating long-term value.** A good campaign can bring positive attention and drive ROI, but success comes from understanding where location fits with a brand's many touchpoints, *from check-in to checkout*.
- **The battle for digital supremacy comes down to personalized data.** Location is a key piece. The company with the richest social graph and the most extensive geolocation data can offer better value to advertisers and consumers alike.



AT&T
AdWorks



introducing **ShopAlerts™ by AT&T**

Introducing ShopAlerts™ by AT&T

ShopAlerts is an opt-in, location-based mobile marketing solution that delivers highly relevant SMS messages customized for each user based on location, time, user preferences, and CRM data. **It's the next generation of mobile marketing.**

- Extend marketing programs to customers **while they are shopping**
- Use carrier grade technology to **connect with opted-in consumers**, actively seeking offers and rewards from their favorite brands
- Tailored mobile messages to consumers based on **location, time of day, and interests**
- **Own an event:** Brands can sponsor leading national or local events through the year



ShopAlerts™ by AT&T User Experience

1

Consumer opts-in to the ShopAlerts program via AT&T subscriber SMS and email invitations, AT&T display properties, or the AT&T Facebook page

**2**

Consumer enters the designated geo-fence area, pre-set by the brand

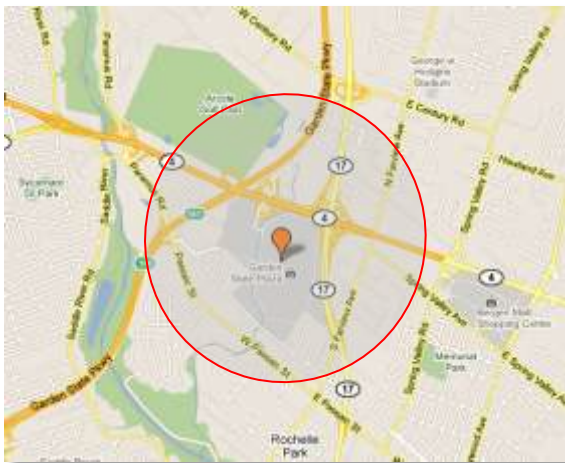
**3**

Consumer receives an SMS alert on mobile phone presenting a personalized offer, promotion, sponsorship, reminder, etc...

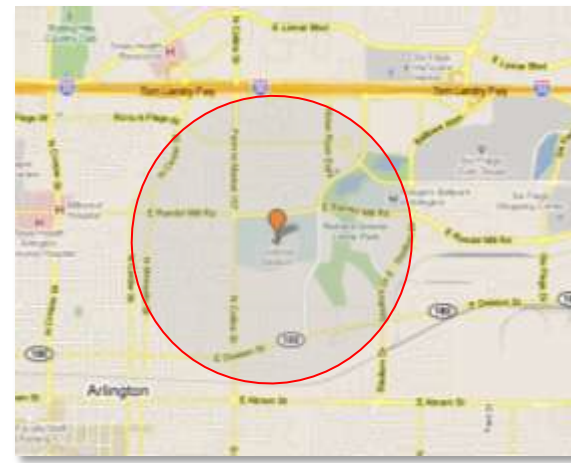


geo-fencing

A geo-fence is a dynamically generated virtual perimeter for a real-world geographic area – for example, around a store, event, or point location.



Geo-fence surrounding **Garden State Plaza Mall**
1 Garden State Plaza, Paramus, NJ



Geo-fence surrounding **Cowboys Stadium**
925 North Collins Street, Arlington, TX

With ShopAlerts, you can create a geo-fence anywhere, anytime.

ShopAlerts™ Key Benefits



Audience Reach:

Use AT&T's database to reach audience in relevant contexts and locations



Simplicity:

Messages delivered via SMS - no applications to download or activate to participate



Customization:

Virtual geo-fences can be created for ANY geographical or physical location



Device Independence:

Works on any AT&T mobile handset



Effectiveness:

Redemption rates from **24% - 65%***

Mobile, Social and Geolocation—Key Trends for Marketers

Questions & Answers

Registrants will receive an email tomorrow that includes a link to view the deck and webinar recording.

For more discussion, please join us after the webinar on LinkedIn. Search for the eMarketer Group and click on Discussions.

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