

Mobile ad revenue in Europe wildly exaggerated, says analyst firm.

London, 3 November 2008. A leading market-watcher published figures today showing many of the predictions about mobile advertising in Europe are hugely inflated. CCS Insight, a research and analysis company, calculates advertisers will spend fairly insignificant amounts trying to reach people through their mobile phones over the next few years. By 2010, mobile advertising revenue in Europe will be less than 430 million euros — a fraction of the billions devoted to advertising budgets annually.

"The reality is that no one's making huge sums from mobile advertising in Europe, and this won't change in the near future" said Paolo Pescatore, Director of Applications and Content at CCS Insight. "Some analyst houses are predicting we'll see a massive surge in mobile ad revenue, but our research shows the sums involved are still relatively small. Anyone expecting to become the next Google on the back of mobile advertising is going to be disappointed."

CCS Insight looked at revenue from text and picture message ads, advertising on mobile Web portals, mobile search and ad-funded content. "Mobile phones offer advertisers many different ways to reach an audience" said Mr Pescatore. "Ad-funded content and mobile search will be two big growth areas, especially as more people access the Internet on their phones. Placing ads at the start of a video or adding them to the results of a mobile search are less intrusive forms of promotion. I think we'll see people responding well to this kind of ad."

Mr Pescatore believes mobile advertising is still in its infancy in Europe. "Advertisers in south-east Asia and North America have woken up to the idea that mobile phones are a very personal item. If you put an ad in a mobile music video, you have the full attention of the viewer." He added "People take more notice of a mobile ad than advertising on TV or on a PC screen. And with a billion new phones being bought every year, the potential market's huge."

Jeremy Miles, Chairman of advertising agency Miles Calcraft Briginshaw Duffy, confirmed CCS Insight's view of the market, saying "Mobile advertising without doubt holds enormous potential for brands. But like the Internet revolution before it, mobile needs to emerge from the technology foothills and develop media experiences and advertising solutions that delight and satisfy real consumers' needs and wants. And deliver the numbers."

Despite the huge potential, CCS Insight cautions the mobile advertising industry to be realistic when planning for the next few years. Spending will certainly increase as agencies shift some of their budgets to the mobile market. The credit crunch will force advertisers to reduce traditional outlets like print and TV, and push them to explore cheaper and more targeted avenues, such as mobile devices. Eventually, revenue from mobile advertising might rival that on other channels. Until then, the industry will have to knock a few zeroes off those inflated forecasts.

### About CCS Insight

CCS Insight is a research and analysis company that specialises in the communications market. Since 1993, CCS Insight has helped mobile network operators, phone manufacturers and content providers understand the connected world. Further information is available on the company's Web site at [www.ccsinsight.com](http://www.ccsinsight.com)

CCS Insight's forecast of revenue from mobile advertising to 2010 is published in *Don't Believe the Hype about Mobile Advertising*

. The report is available as part of the company's weekly Hotline service, which keeps clients abreast of developments in the mobile industry. For details of how to become a subscriber to CCS Insight's Hotline service, e-mail

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