Understanding Local Mobile Consumer Behavior

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AT&T . . . . An Integrated Carrier

Telephone	Broadband	Wireless	TV: UVerse	Media	Advertising

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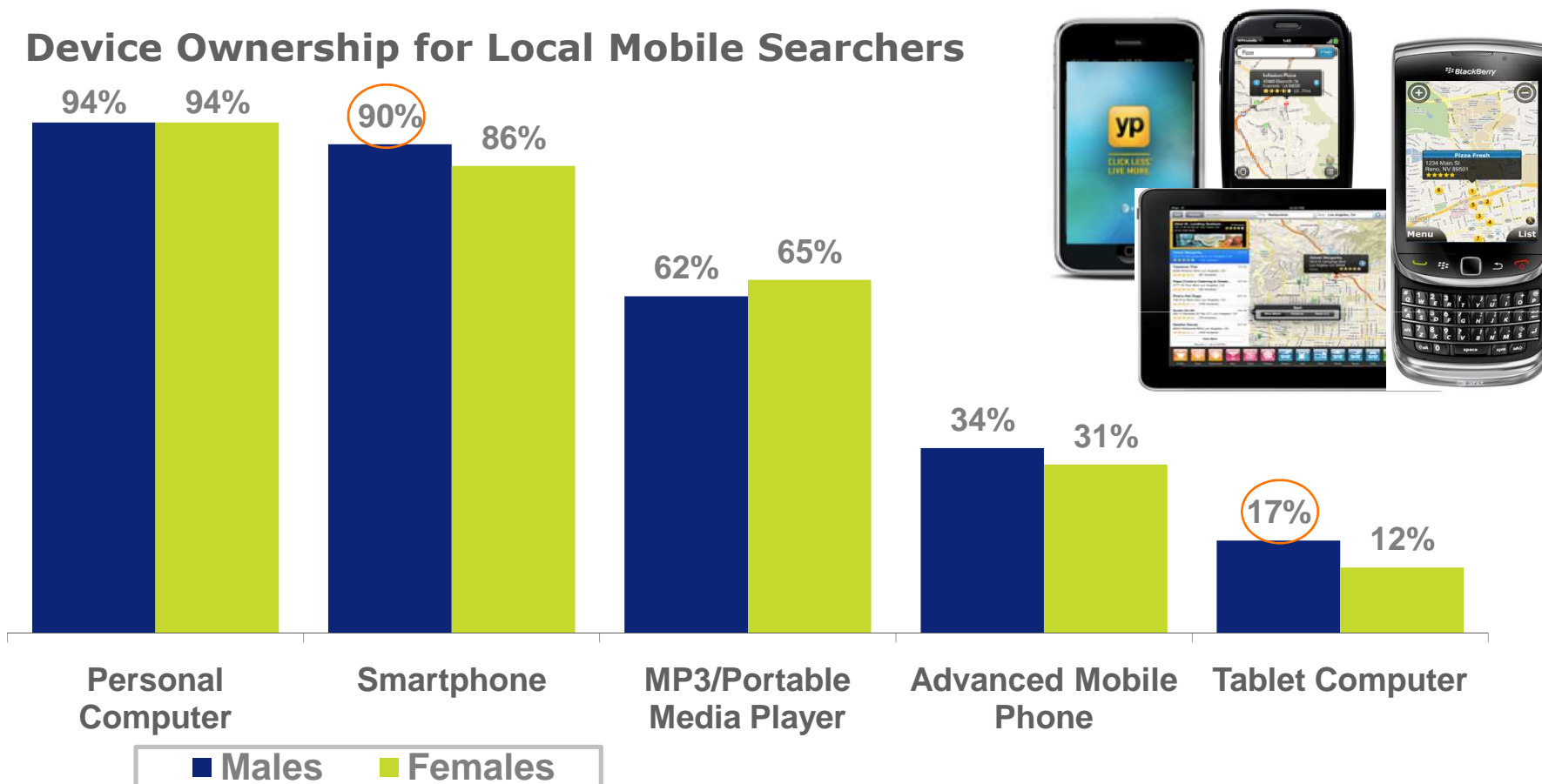
The study and all results are owned by AT&T and not available for purchase from Nielsen.

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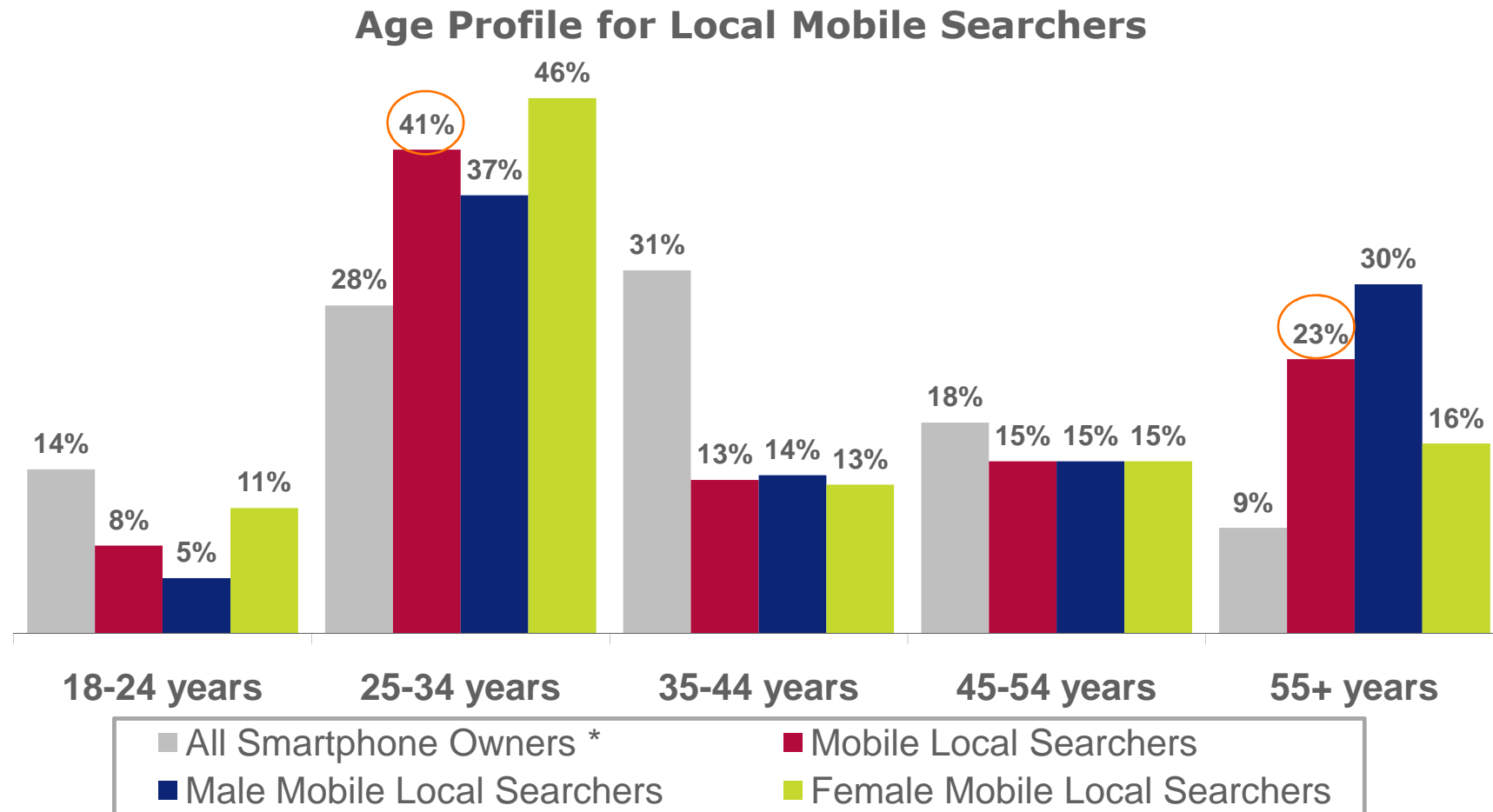
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Local Mobile Searchers are Connected!

- 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

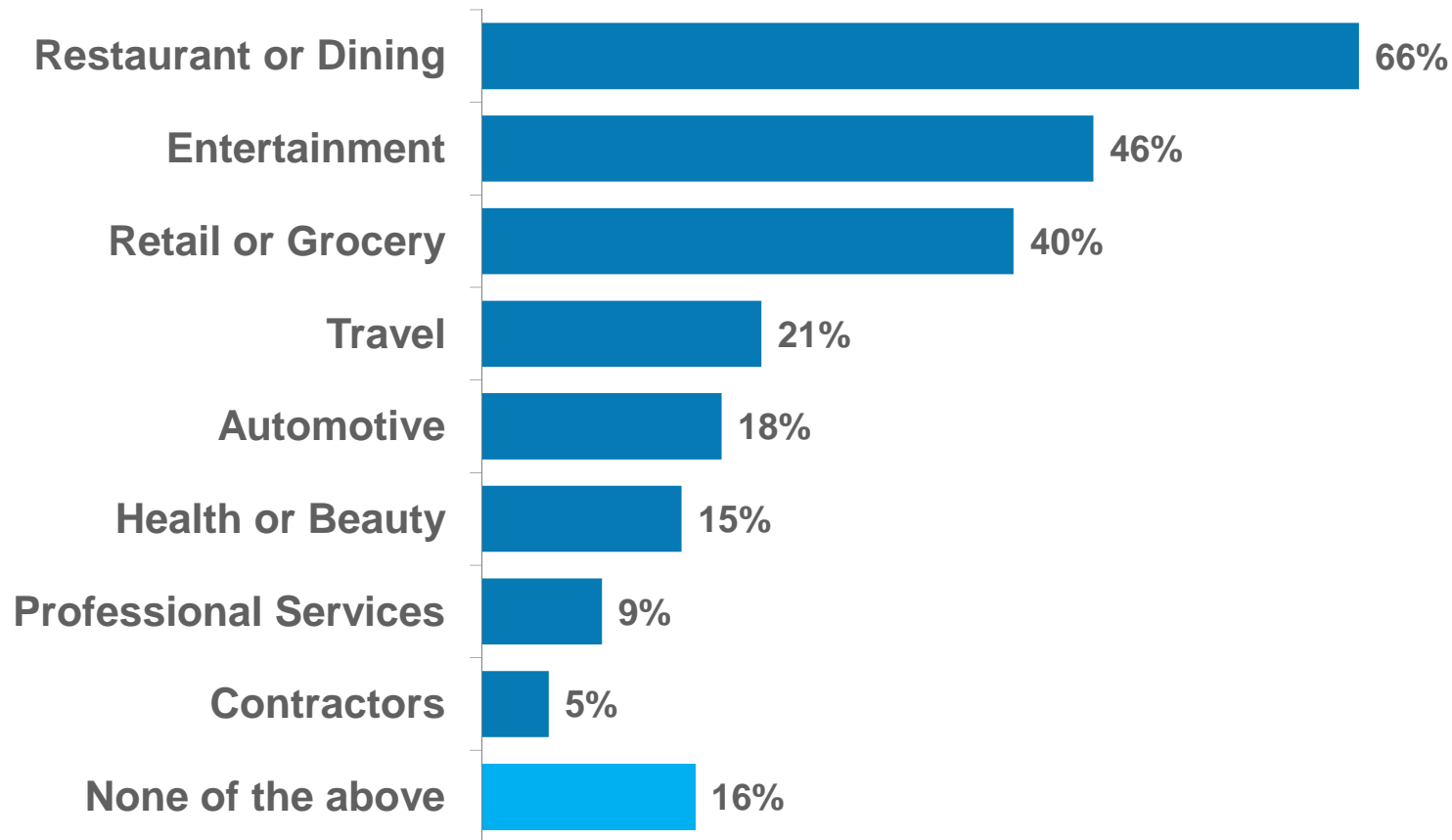| Device	Males	Females
Personal Computer	94%	94%
Smartphone	90%	86%
MP3/Portable Media Player	62%	65%
Advanced Mobile Phone	34%	31%
Tablet Computer	17%	12%

Males **Females**

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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	25-34 years	35-44 years	45-54 years	55+ years
All Smartphone Owners *	14%	28%	31%	18%	9%
Mobile Local Searchers	8%	41%	13%	15%	23%
Male Mobile Local Searchers	5%	37%	14%	15%	30%
Female Mobile Local Searchers	11%	46%	13%	15%	16%

■ All Smartphone Owners *   ■ Mobile Local Searchers
■ Male Mobile Local Searchers   ■ Female Mobile Local Searchers

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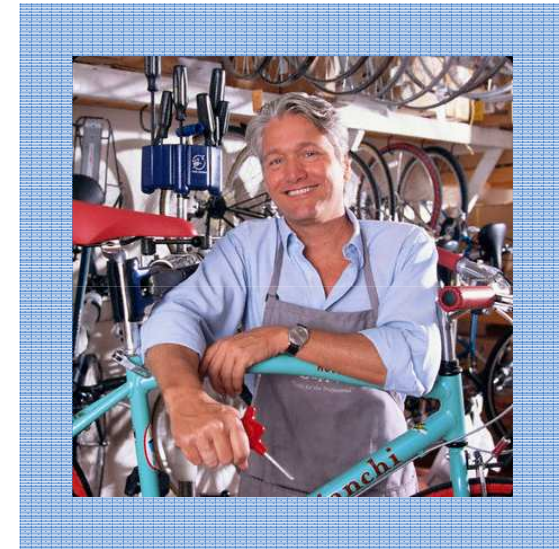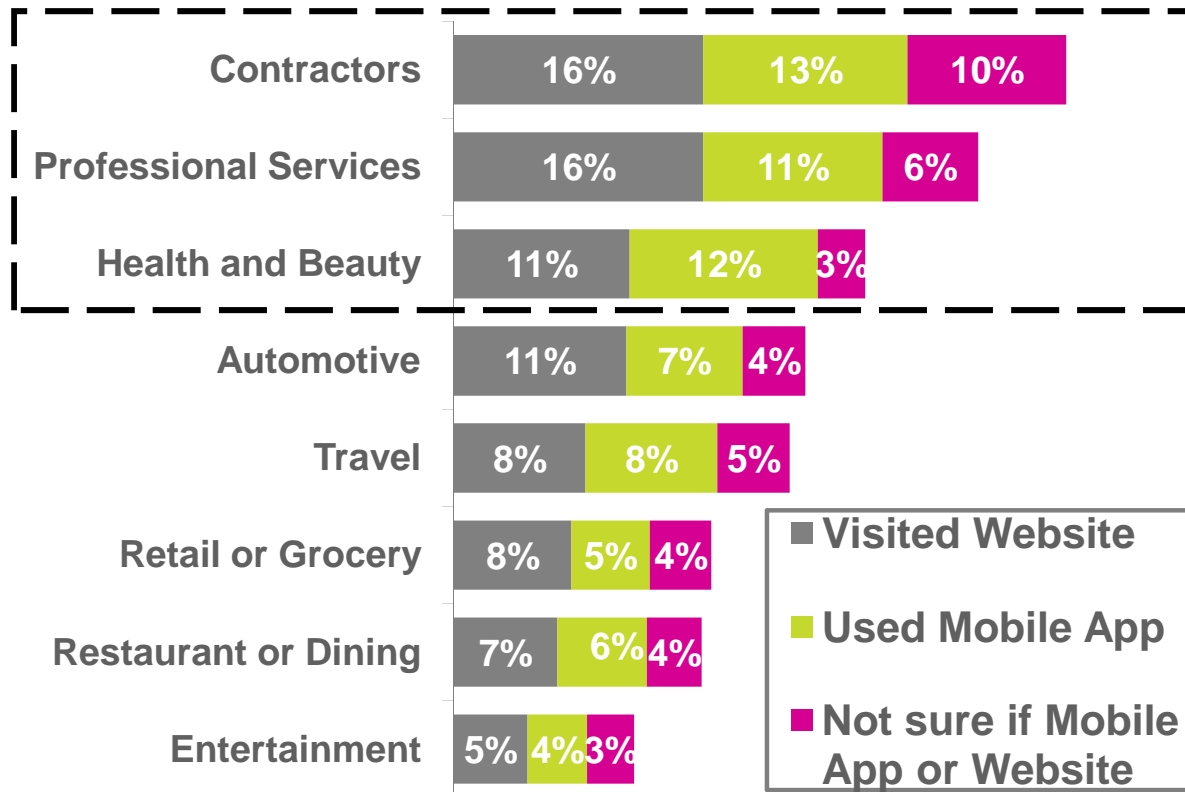
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Local Restaurant/Dining Establishments Most Researched on Mobile Devices, Followed By Entertainment and Retail/Grocery Businesses

Local Business Categories Searched for in the Past Month

Category	Percentage
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%

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YP Users Are Most Likely to Search For Contractors or Professional Services

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

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

Legend:
- ■ Visited Website
- ■ Used Mobile App
- ■ Not sure if Mobile App or Website

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# Those Who Were Looking For Professional Services or Contractors Information Were Most Likely to Click On a Mobile Ad

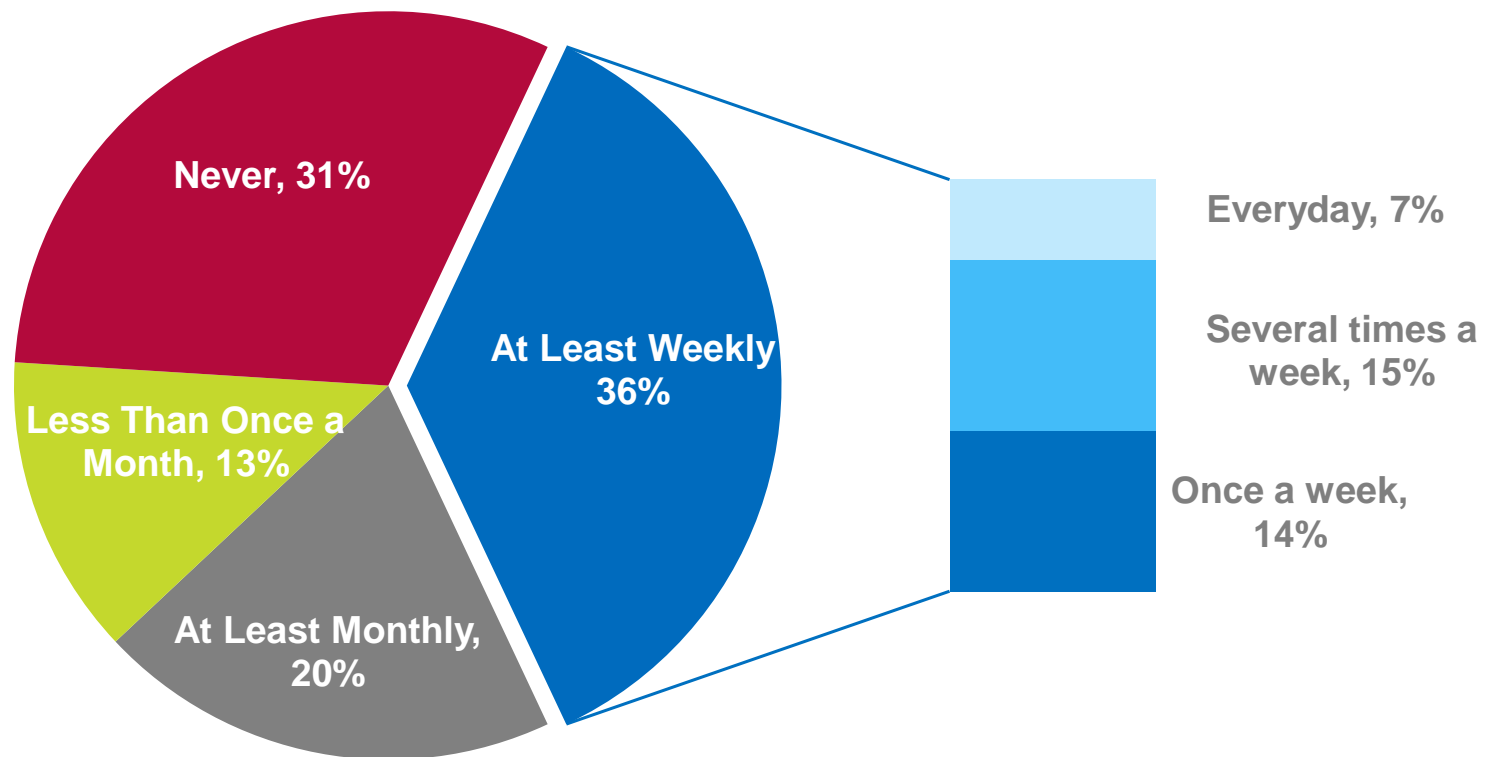## Clicked on a Mobile Advertisements When Searching for Local Information

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

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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)

Male	Female	18-24	25-34	35-44	45-54	55+
51%	46%	53%	54%	47%	42%	44%

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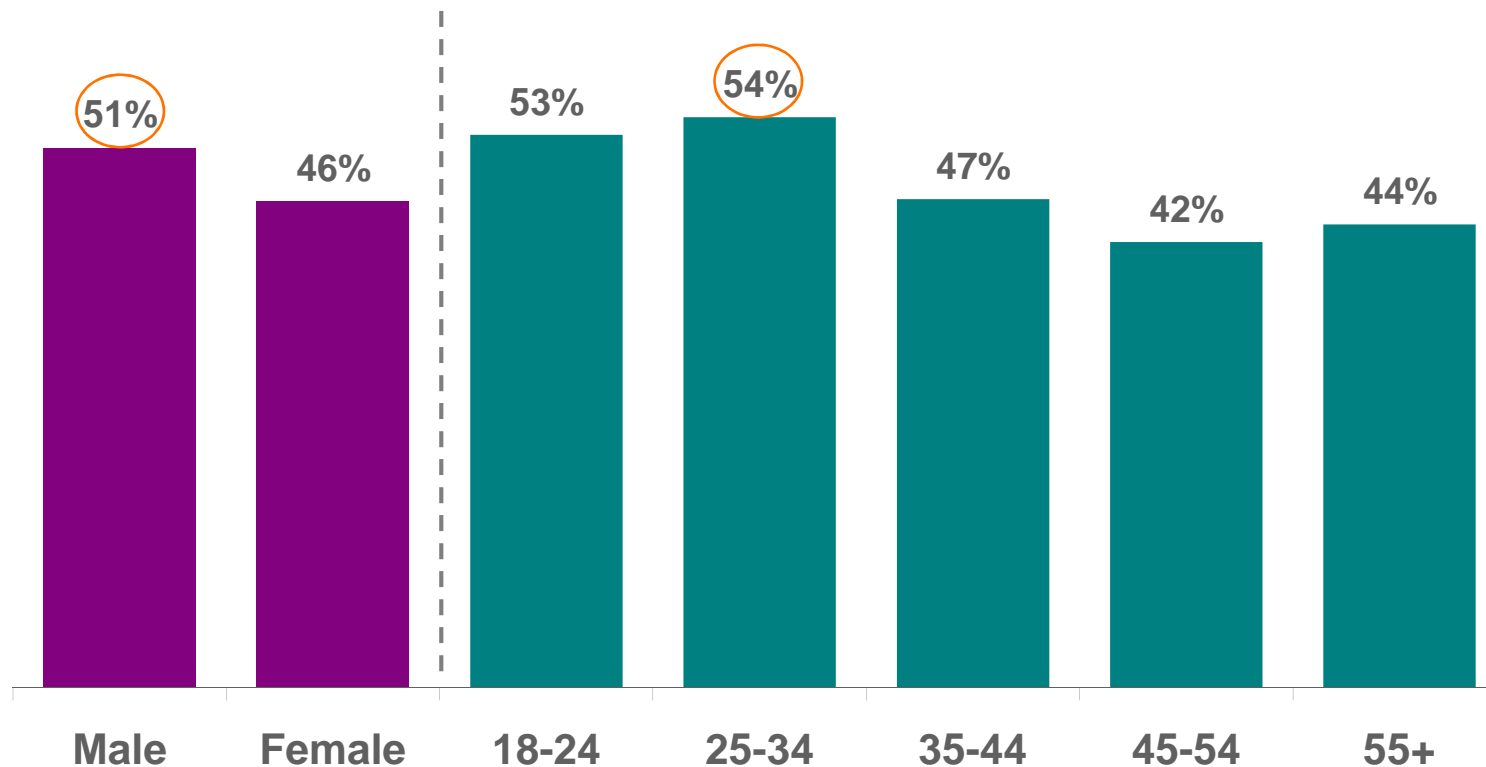
Over a Third of Local Mobile Searchers Allow Apps to Detect Their Location at Least Once a Week

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

Never, 31%

At Least Weekly 36%

Less Than Once a Month, 13%

At Least Monthly, 20%

Everyday, 7%

Several times a week, 15%

Once a week, 14%

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

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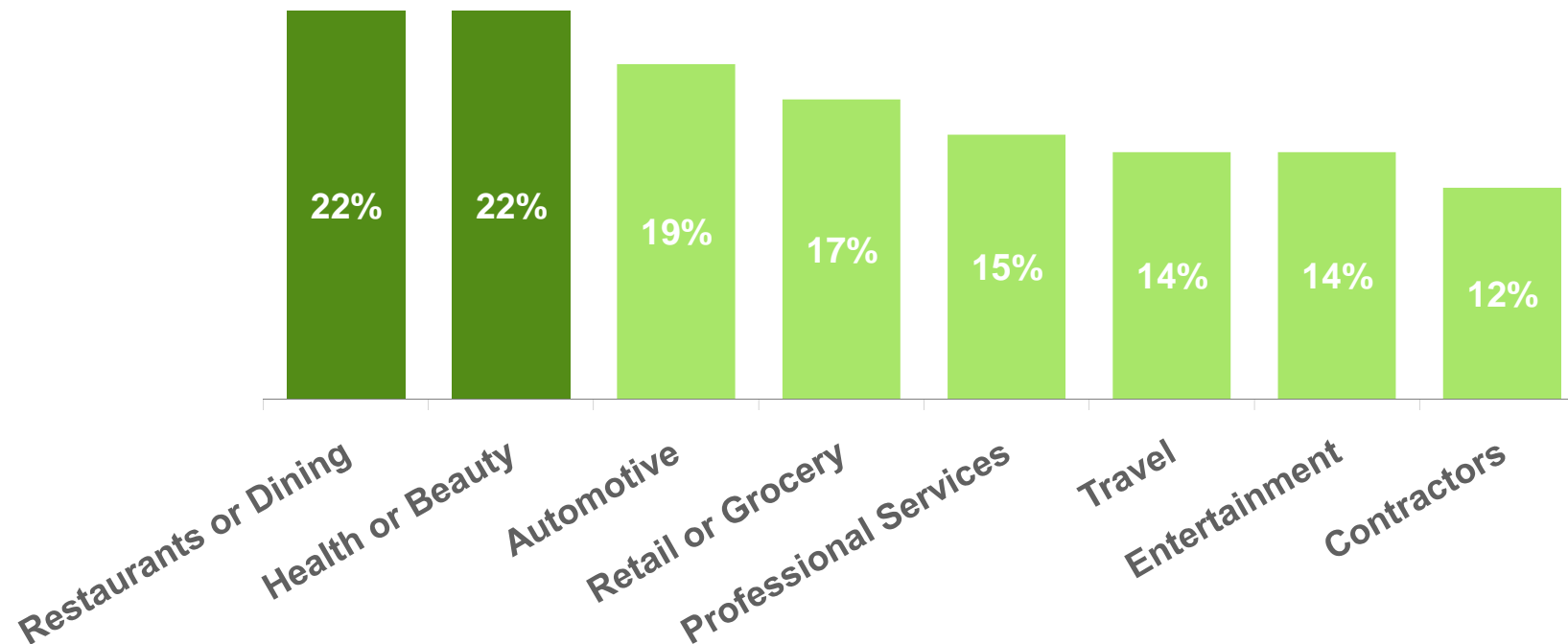
About 2/3 of Local Mobile Searchers See Ads Weekly

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%

Legend: ■ Everyday ■ Weekly ■ Monthly ■ Less than Once a Month ■ Never

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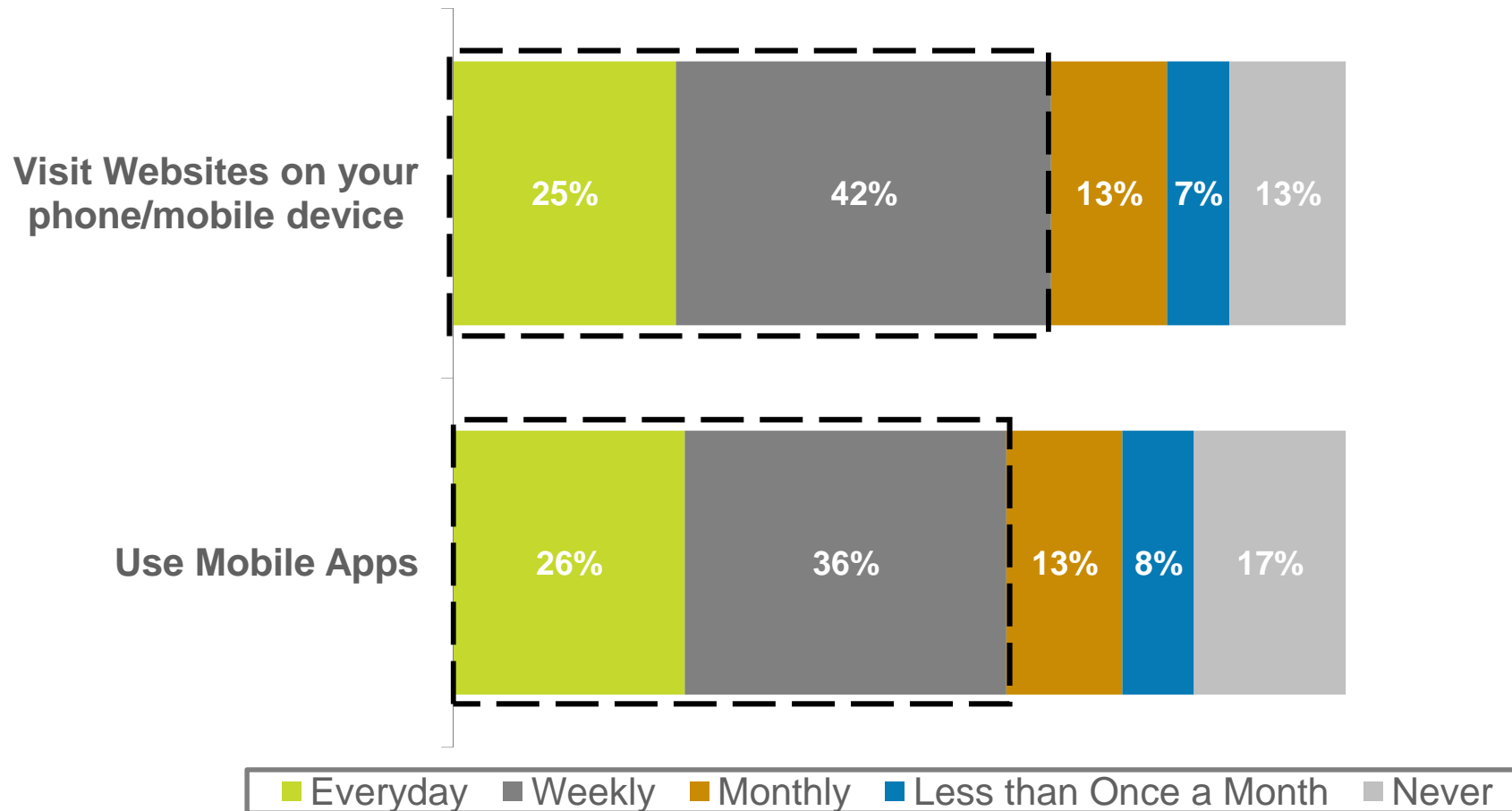
1/4 of Local Mobile Searchers Click On Mobile Ads at Least Weekly

Frequency of Clicking on Mobile Advertising

Visiting Websites on your phone/mobile device
| 7% | 17% | 10% | 13% | 54% |

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

Using Mobile Apps
| 7% | 17% | 10% | 13% | 53% |

■ Everyday ■ Weekly ■ Monthly ■ Less than once a month ■ Never

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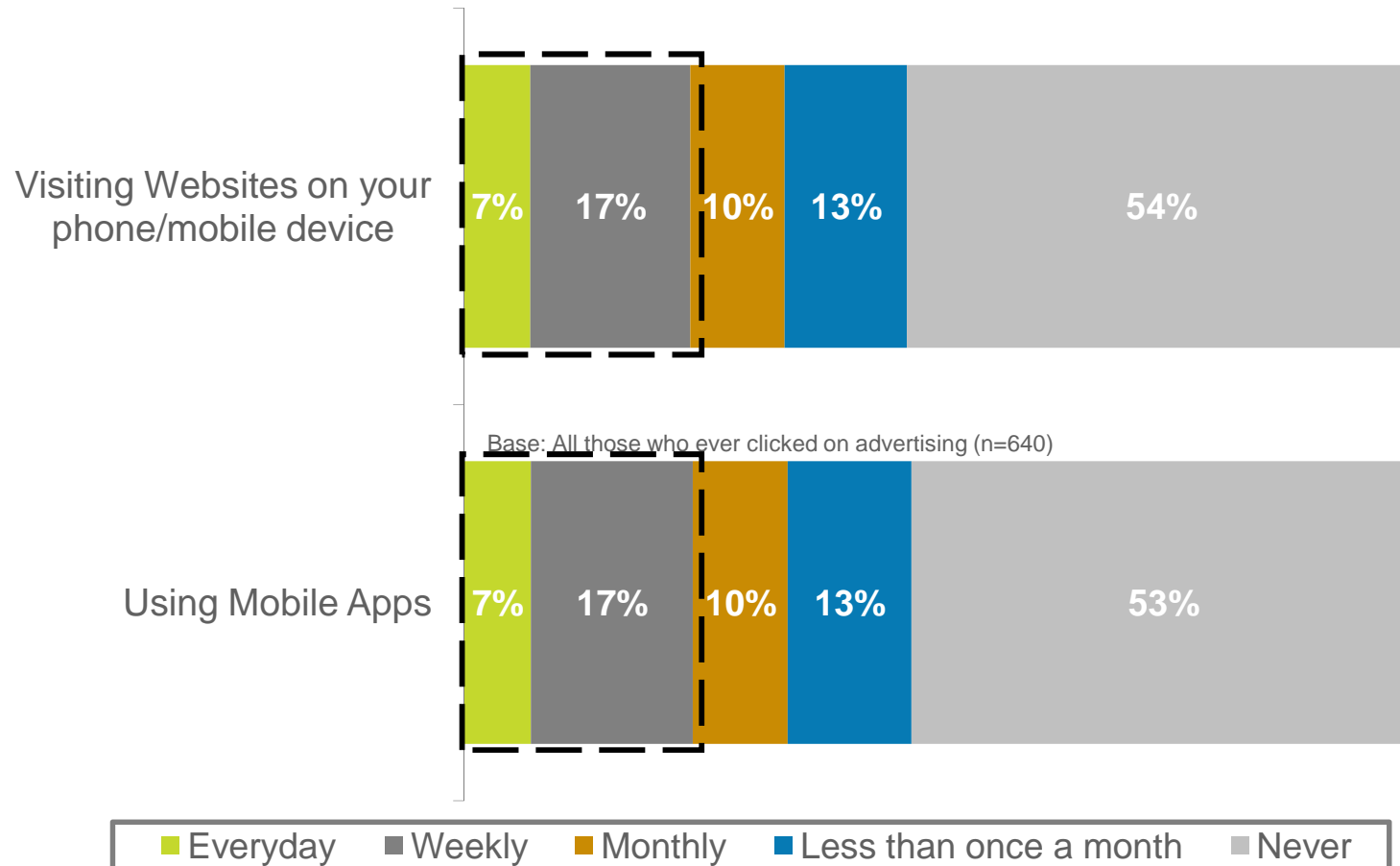
If the Ad Is Relevant or Offers a Discount, Searchers Will Click On It

Top Reasons for Clicking on Mobile Advertising

Reason	Percentage
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%

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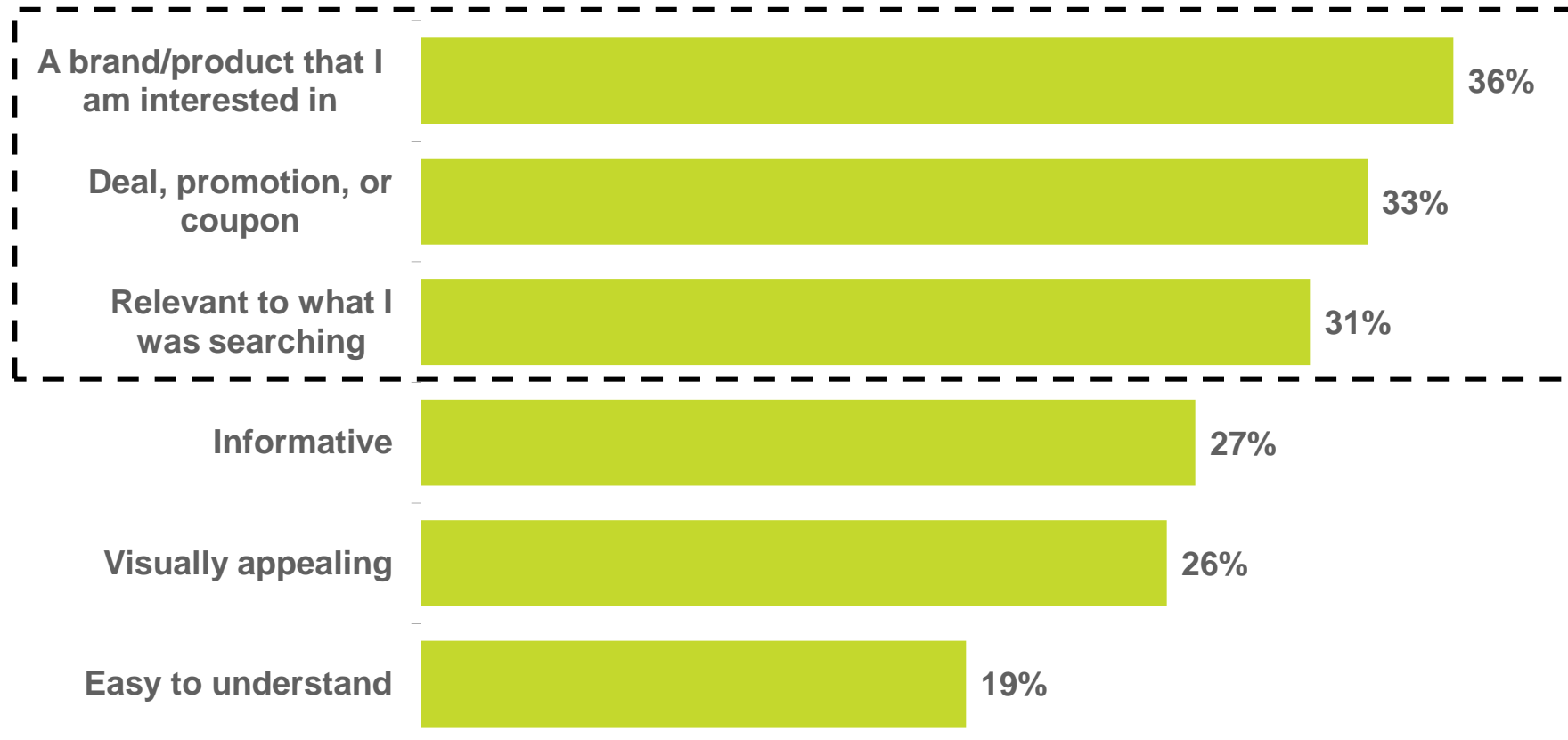
64% Of Searchers Are Interested in Customized Promotions –46% Have Responded

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

- Extremely Interested, 10%
- Very Interested, 21%
- Somewhat Interested, 33%
- Not Very Interested, 21%
- Not at All Interested, 15%
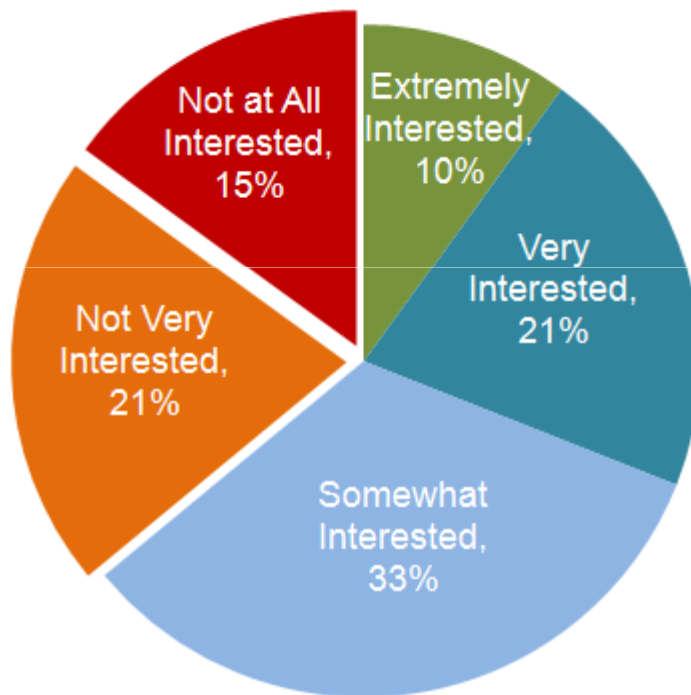
Responded to Promotions or Deals Sent to My Phone/Device
Base: All Mobile Local Searchers (n=1526)

46%

- 13% Everyday
- 14% Weekly
- 14% Monthly
- 5% Less than Once/mo

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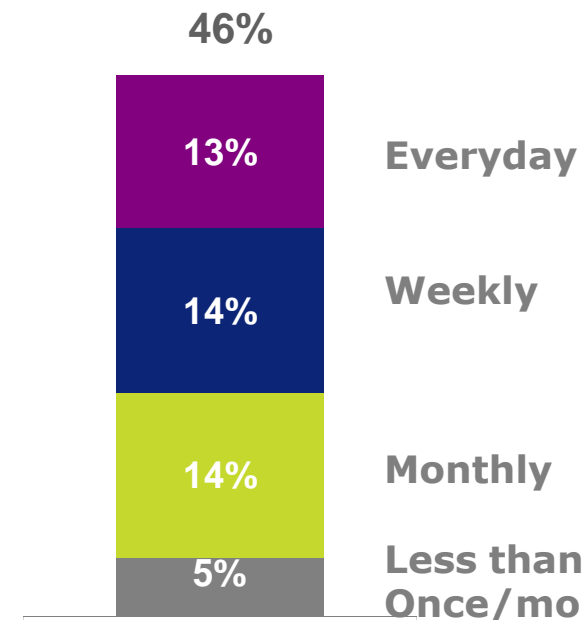
Compared to Smartphones, Tablet Users are Even More Likely to Allow Location Based Searches and Click On Ads

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%

Legend:
- ■ Tablet
- ■ Smartphone

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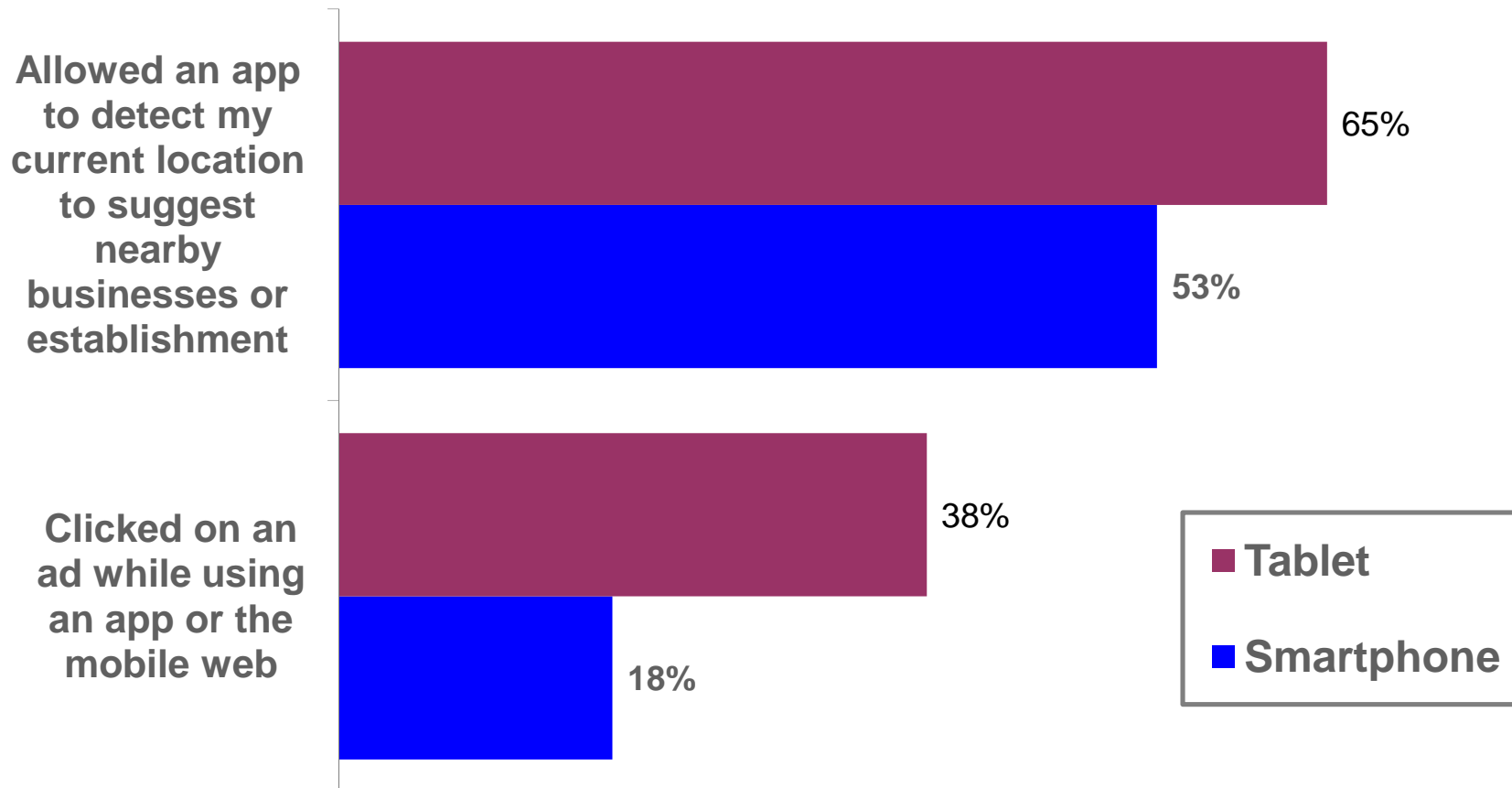
43% Of Local Mobile Searchers Walk Through the Door

Completed Local Search (100%)

Contacted a Local Business

Visited a Local Business

Made a Purchase

43%

22%

Source: The Nielsen Company

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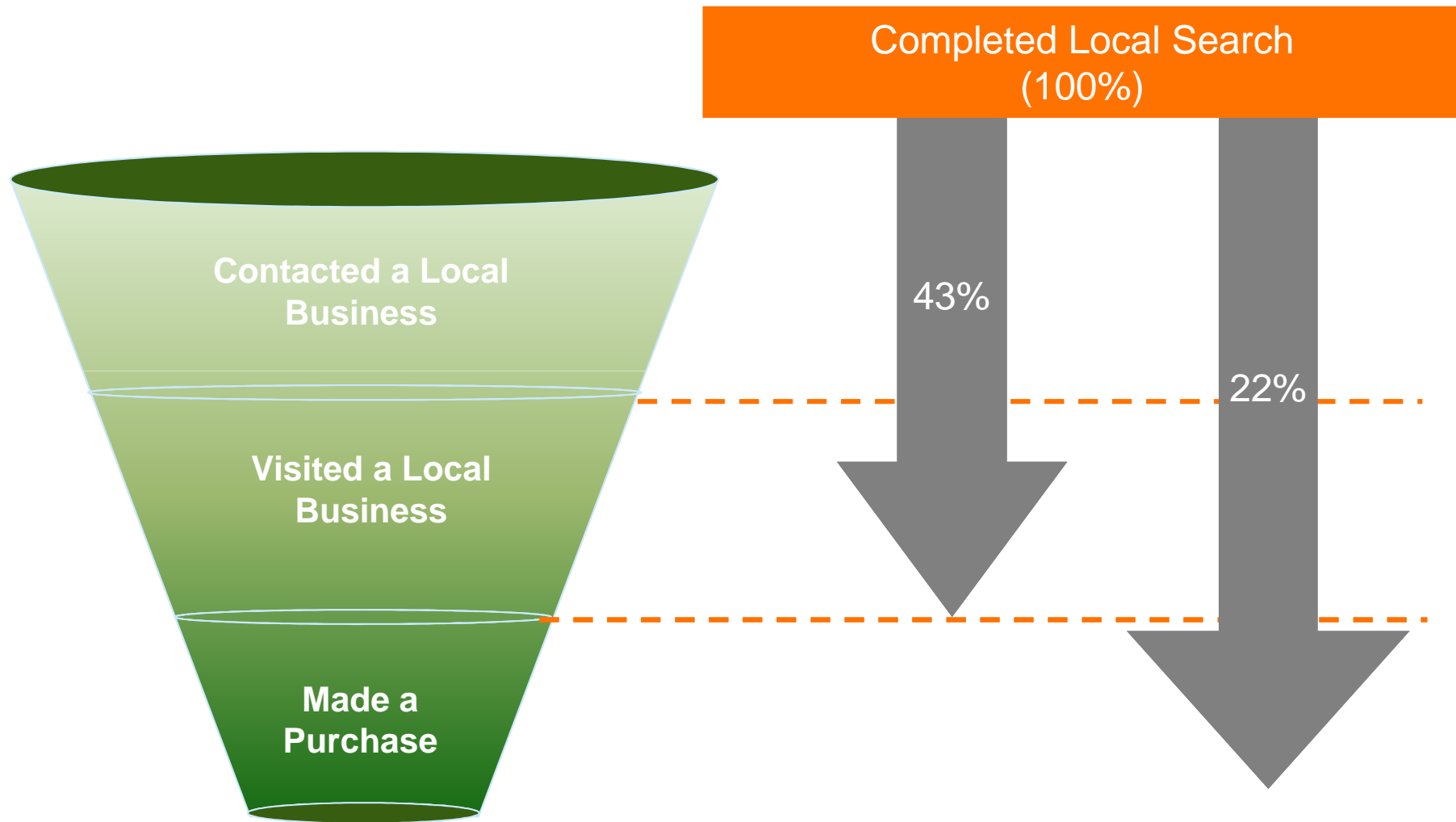
Local for Mobile Display

Srini Mandyam

VP Mobile Engineering

App Developers Face a Dilemma - When Premium Inventory Runs Out, Remnant Ads Pay Poorly
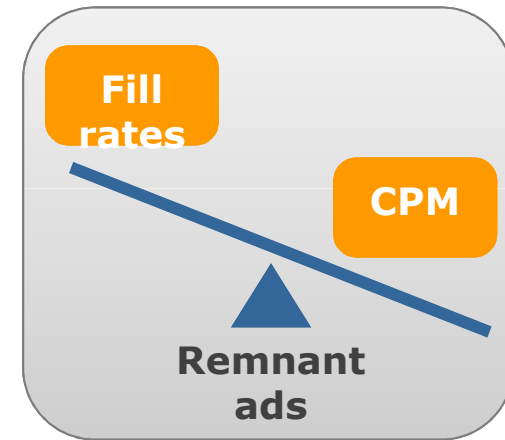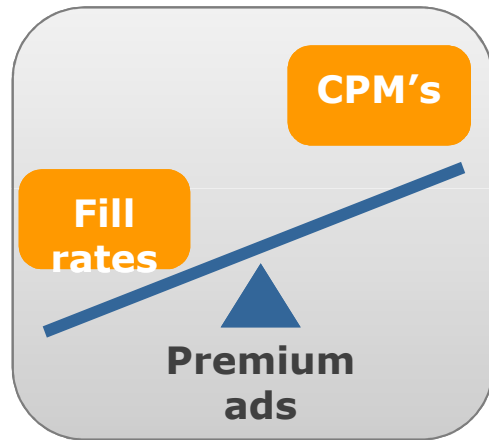
AT&T Interactive's HyperLocal Ads: High Fill Rates & High eCPMs
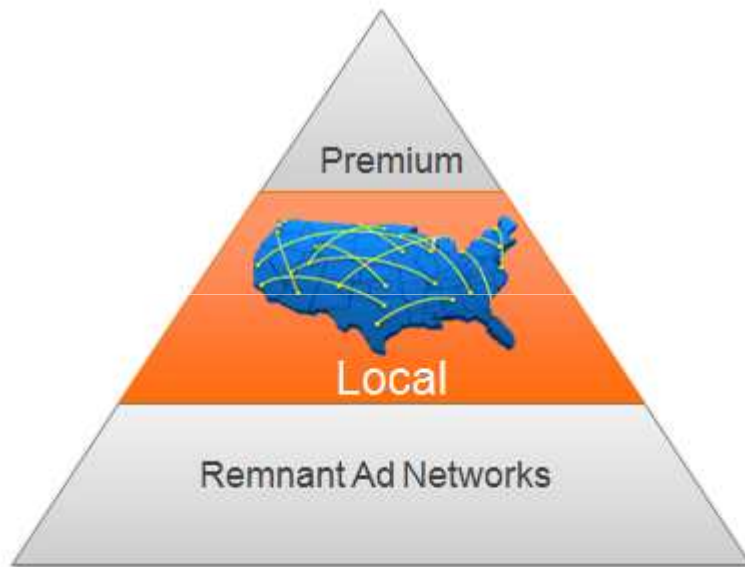
Potential Value to Publishers

✓ 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*

*BIA/Kelsey, US Mobile Ad Revenue Forecast (2009-2014), Dec 2010

The Premier Local Ad Network

- A sales force of thousands

- 38.3 billion impressions served in 2010

- Over 350 top publisher sites and apps

HyperLocal Ads – User Experience

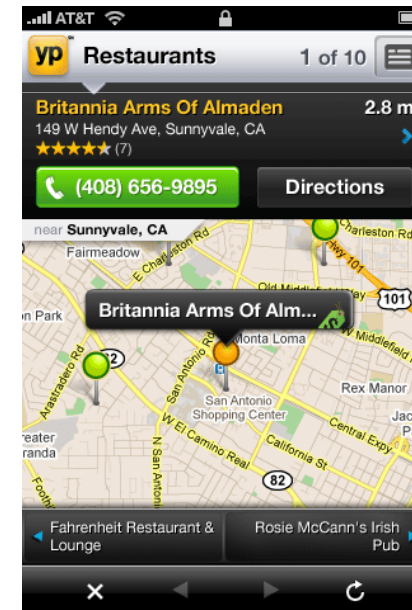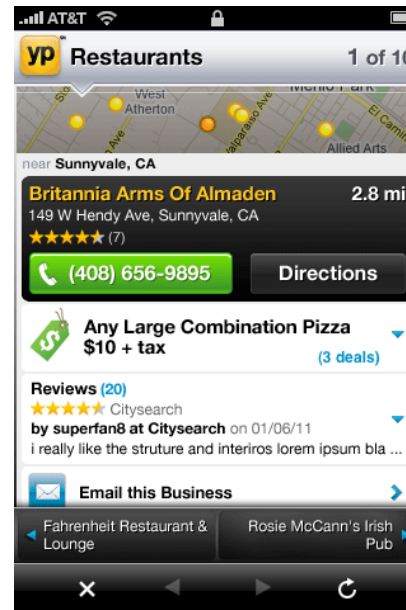**Your App**
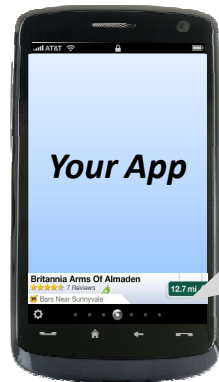
Britannia Arms Of Almaden
★★★★½ 7 Reviews
yp Bars Near Sunnyvale

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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

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Web: **www.attinteractive.com/publishers**

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In person: **Talk to us now!**