The BuzzCity Report

A QUARTERLY BRIEFING ON THE MOBILE INTERNET
VOL 1, ISSUE 1: JANUARY 2011

Contents

Welcome

Dear Mobile Colleagues

Welcome to the inaugural edition of the BuzzCity Report, a roundup of recent market developments in the mobile internet, with stats, commentary and forecasts on the state of the mobile internet.

BuzzCity has established a reputation as a trusted source of data and insight to the mobile marketing community. Now, we have consolidated our various reports, surveys and articles into the quarterly digest before you.

Our various reports and analytics form a trusted source of information for advertising agencies, brands, mobile publishers and the press, in making decisions and analysing recent developments in this exciting and fast-growing market. We hope this new format will provide a useful handbook for you to consult throughout each quarter when planning campaigns, new developments and other initiatives.

This issue includes the results of our latest survey into mobile internet demographics and lifestyle, and includes detailed analysis of audience behaviour and expectations in some of our top markets.

For those of you attending the GSMA in Barcelona this year, we invite you to visit our stand at 7E47 (in Hall 7), where our team can provide you with any further information that you may require.

KF Lai
CEO, BuzzCity

Market update

2010 was a year of tremendous growth for us here at BuzzCity, and for the industry as a whole.

In the fourth quarter of 2010, more than 16.8 billion advertiser banners were delivered across the entire network.

This represents a quarter-on-quarter increase of 12%, with the top 20 countries delivering 80% of all banners served.

For those of you who received our quarterly ad index in early January, you'll see that in just one month, a lot has changed. We have two new entrants in the top ten countries: China enters the top ten at number 8, and Turkey debuts at number 9, displacing Nigeria and Libya, despite continued growth from both countries.

The pages that follow provide a snapshot update on our top ten markets, with demographics, traffic growth and handset info. (To find out about any country not listed in the top 10, visit our campaign planner at planner.buzzcity.com.)

Our survey

With fast-paced change a matter of course in the mobile web, it's crucial that we keep you abreast of the latest developments and trends in user behaviour, and so, in late 2010, we decided it was time to run a fresh user survey into users of the mobile web, covering the basics: Who are the they? What do they want and need. What are their concerns, needs and aspirations?

We've answered these questions and more, in our latest Mobile Lifestyle Survey. To give you a sneak preview, here are some top-level findings:

- The mobile internet user is predominantly male, and likely to be between 18 and 45 years old. He is digitally savvy, and immersed in popular culture in all its forms – TV, music, film and fashion. He is highly social, and actively engaged in group-pursuits.
- The mobile internet user is not a teenager. He is an adult facing a number of crucial life milestones, from changing jobs, to buying a home or car, to starting a family.
- His internet usage is split between the fixed internet and the mobile internet, and he downloads an eclectic variety of apps and games at the moment they come out.
- Over half of the audience have either sporadic access or no access at all to the fixed internet, making the mobile internet a valuable channel to reach a unique user-base.

Media insight

We have also included a media insight section, on trends in mobile games and apps. Understanding what's driving the games market is crucial for mobile marketers and publishers alike. For the marketers, this knowledge empowers you to create immersive extensions to their brand campaigns. For site owners, you can catch the waves of these trends, and increase usage and pageviews.

In a nutshell

We hope to leave you with a solid understanding of types of products and applications best promoted on the mobile internet, given the life stages of the mobile internet user, and an idea of the accompanying trends in games and applications.

2010 in review

1. 2010 saw significant growth in the mobile internet, as users took advantage of **cheaper data rates and much improved handsets.**
2. During this period, **the BuzzCity ad network grew by over 90% compared to 2009.**
3. The number of ad campaigns, and individual advertisers, increased, with **2,500 global advertisers.**
4. 2010 also saw the continued **resurgence of mobile content** and the majority of advertisers came from the VAS industry.

	Country	YOY Growth	Avg CPC (USD), Dec 2010
1	South Africa	29%	$0.19
2	Indonesia	4%	$0.03
3	Malaysia	218%	$0.20
4	India	233%	$0.01
5	Thailand	482%	$0.17
6	Kenya	739%	$0.03
7	UK	24%	$0.11
8	USA	64%	$0.02
9	Vietnam	4971%	$0.03
10	Argentina	657%	$0.14

5. The network also saw **an increasing number of campaigns from travel and hospitality sectors, consumer and financial products.**
6. By the end of the year, the influx of **new users influenced the pattern of device usage.** A sample of the top 20 markets reveal that by December 2010:
   - **Nokia (42%)** remained the most prevalent surfing device, followed by **Samsung (10.3%)** and **Sony Ericsson (9.4%).**
   - **Apple (7.2%)** and **Blackberry (4%)** made significant impact, although as the year progressed, Apple appeared to gain preference and Blackberry traffic declined.
   - **HTC** yielded a steady increase in traffic throughout 2010.
   - Also noteworthy is that by the end of 2010, the assortment of manufacturers labelled "Others" grew to 19%. Of this, at least 5% comprise white-label phones.

	Brand	Internet Traffic
1	Nokia	42.2%
2	Samsung	10.3%
3	Sony Ericsson	9.4%
4	Apple	7.2%
5	Blackberry	4.0%
6	LG	3.9%
7	HTC	3.9%
-	Others	19.1%

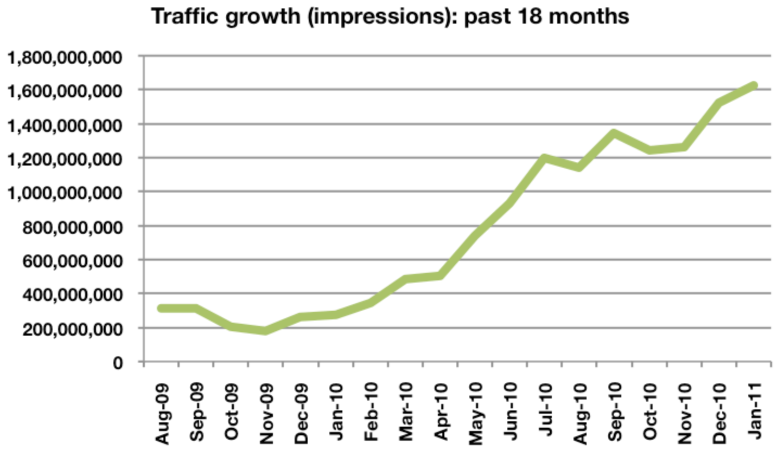
7. On the following pages, we present snapshots of the top 10 countries on our network by number of pageviews, as they stood at the end of January 2011.

In 2010, a total of 52.8 billion ad banners were delivered across the network – a growth of 93% compared to 2009.

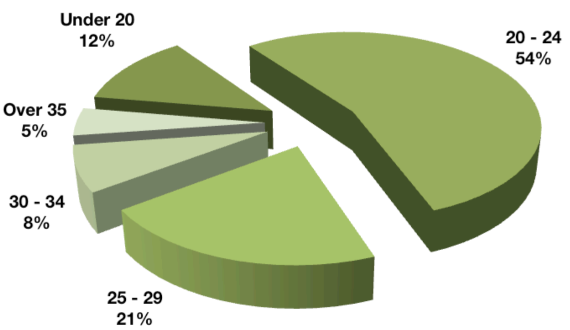
1. India

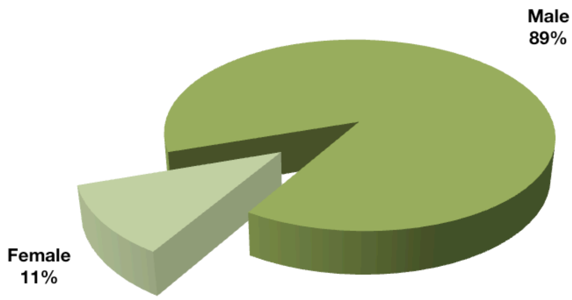
Summary

- India moved to first place in Q4 2010 as strong advertiser demand drove over four billion ads to Indian audiences.
- Growth softened to 9% after three consecutive quarters of double-digit growth for India.
- In 2010, some 11 billion ads were delivered, an increase of more than 217% compared to 2010.

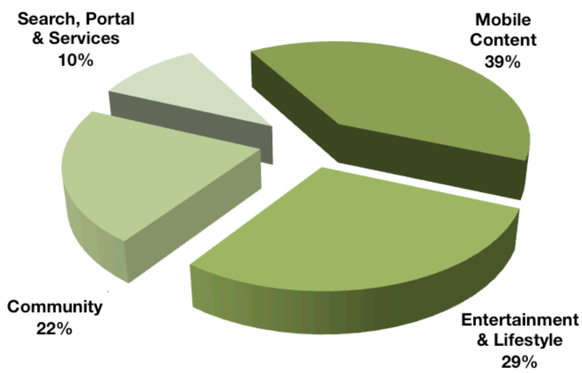


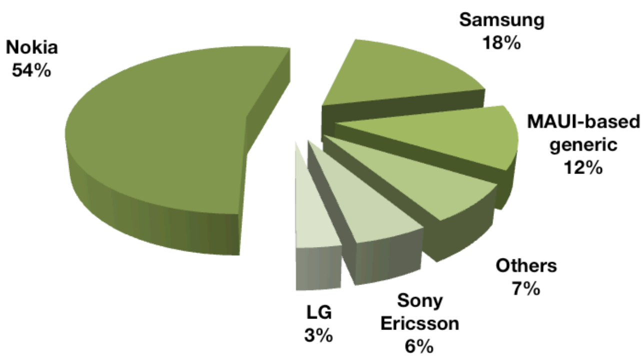
Demographics (age and gender)





Channels and handsets

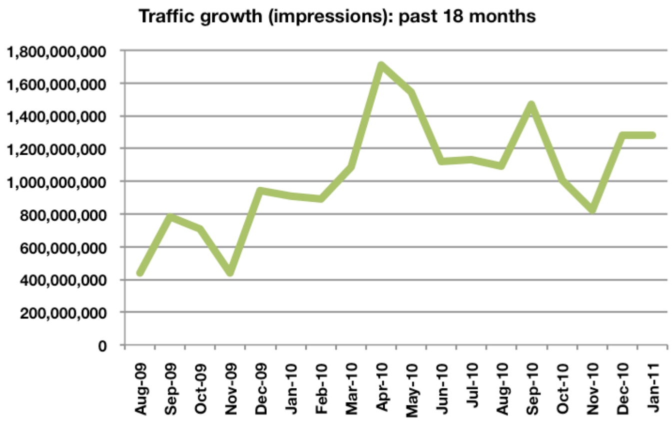




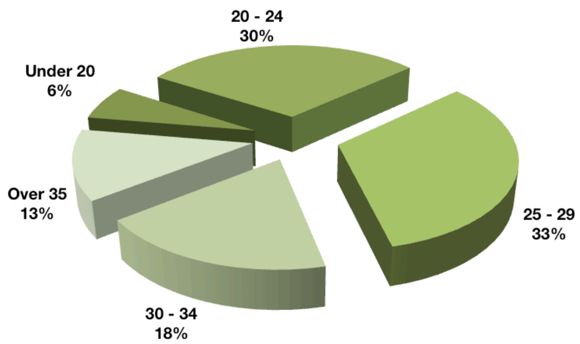
2. Indonesia

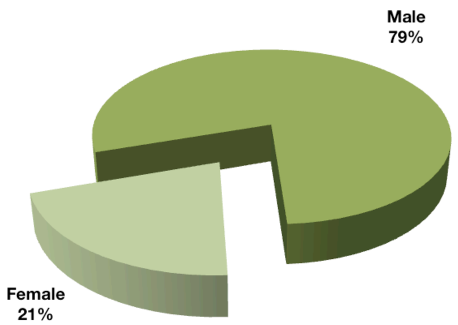
Summary

- Indonesia dropped to second place in Q4 2010 as traffic fell by 19% against the last quarter and three billion banners were delivered to Indonesian audiences.
- Throughout 2010, more than 13.9 million banners were delivered – this reflects a growth of 15% in overall Indonesian traffic.

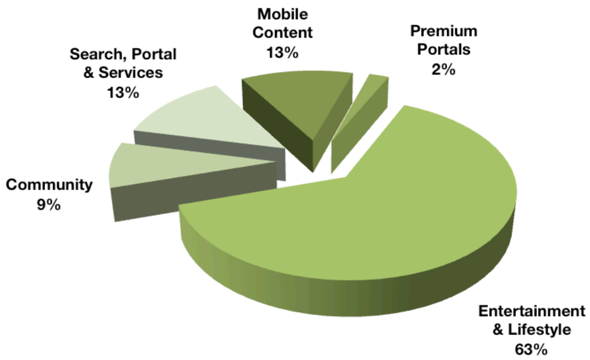


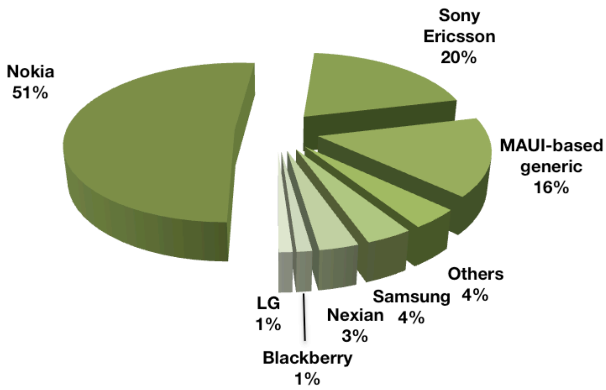
Demographics (age and gender)





Channels and handsets

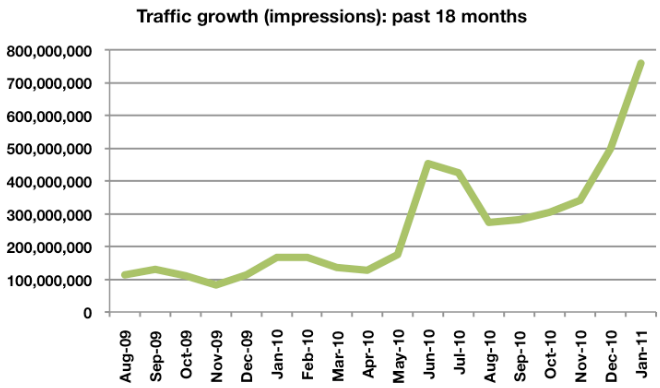




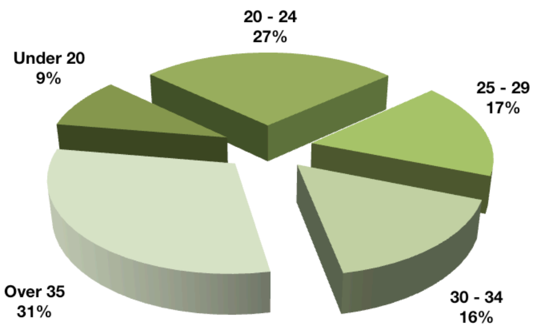
3. United States

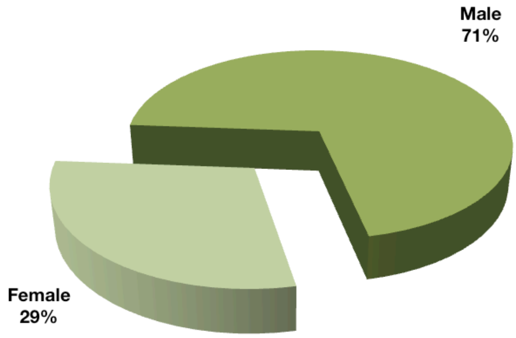
Summary

- US traffic increased by 16% with more than 1.1 billion banners served placing the US in third place.
- The US saw double-digit growth in all four quarters of 2010. Overall, US traffic saw a 97% growth compared to 2009.



Demographics (age and gender)





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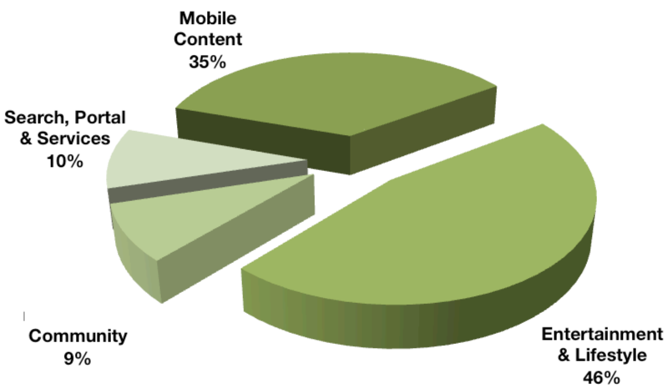
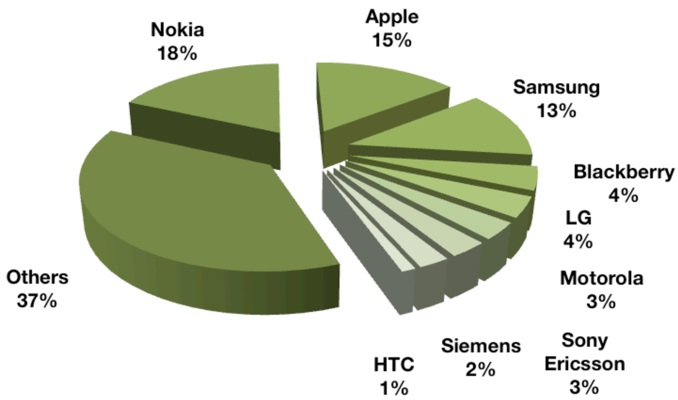
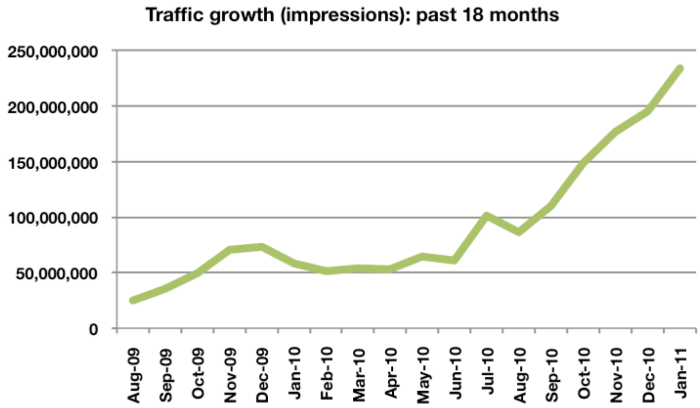




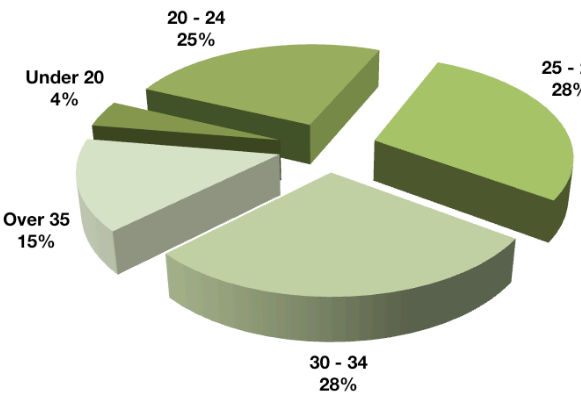
4. Saudi Arabia

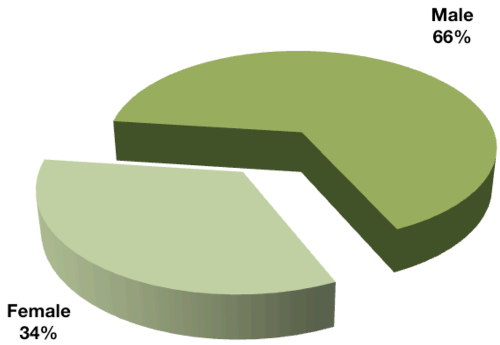
Summary

- Saudi Arabia rose in ranking to 4th place as traffic grew by 75% and advertiser interest drove the number of impressions served to Saudi audiences to 520 million impressions in Q4 2010.

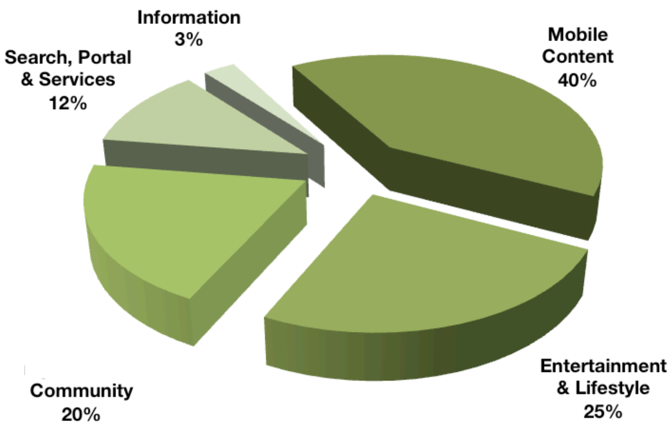


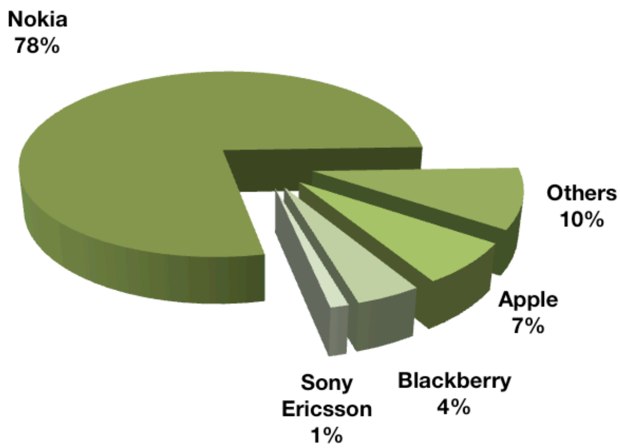
Demographics (age and gender)





Channels and handsets

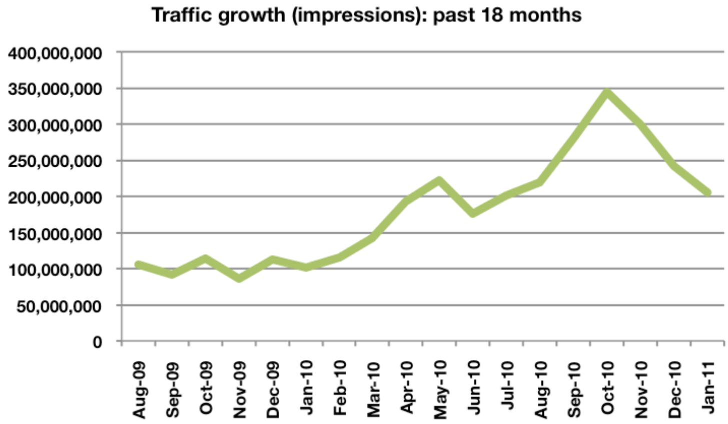




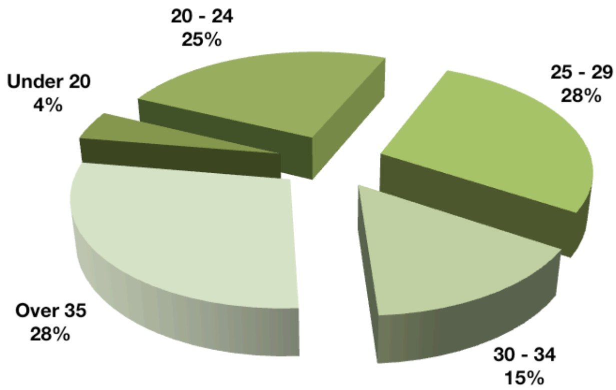
5. South Africa

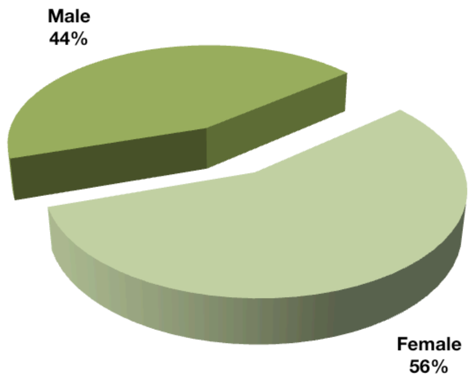
Summary

- South Africa dropped to 5th place as traffic grew by 26% - more than 880 million banners were delivered in Q4 2010.
- South Africa continued four quarters of double digit growth and completed 2010 with 66% overall growth compared to 2009.

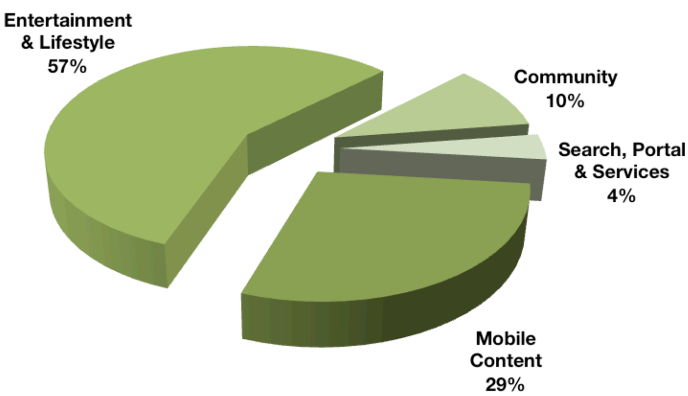


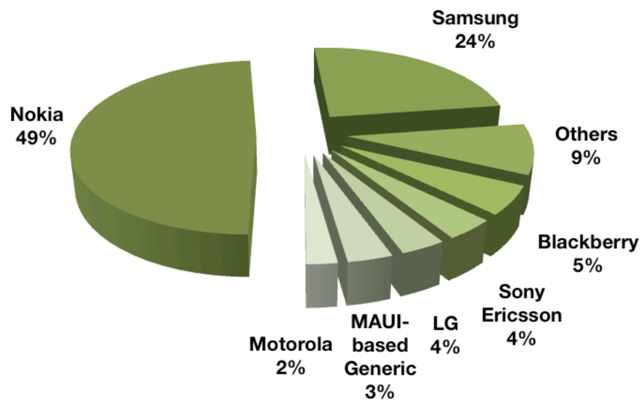
Demographics (age and gender)





Channels and handsets

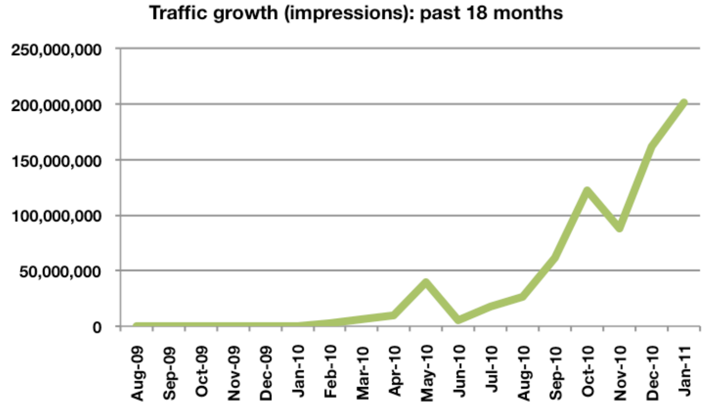




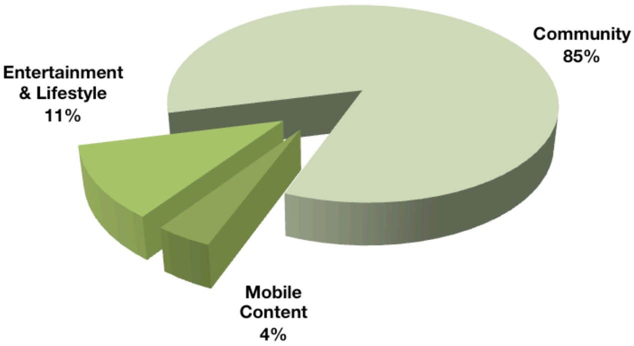
6. South Korea

Summary

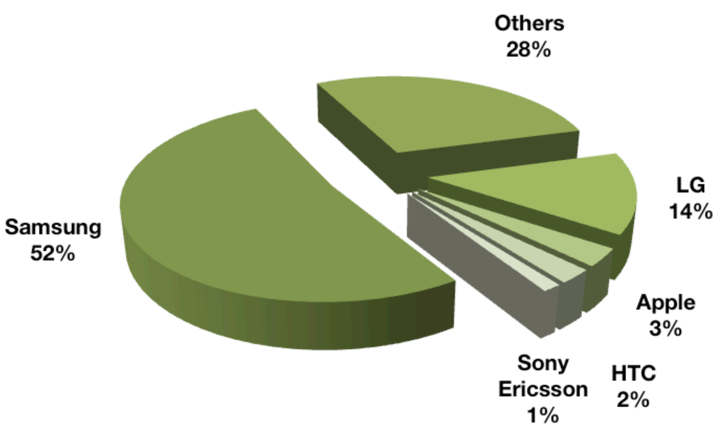
- South Korea continued its remarkable rise from 62nd place in Q1 to end 2010 in 8th place. It added to these gains in January 2011, to be placed at 6th, and secure its place in the top 10.
- In Q4 more than 370 million ad banners were delivered to Korean audiences – a growth of over 250% from the last quarter.



Channels



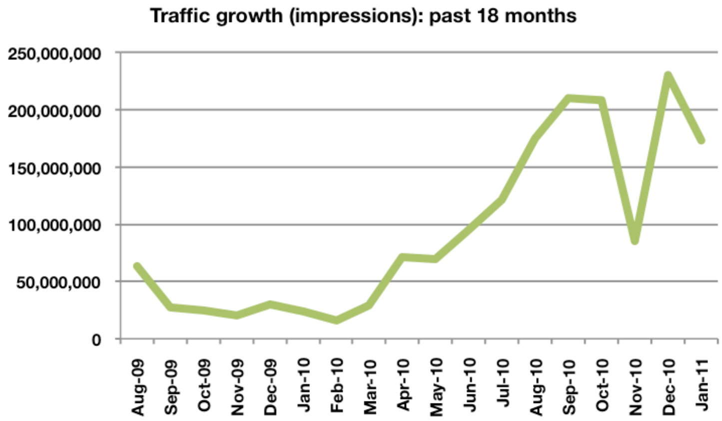
Handsets



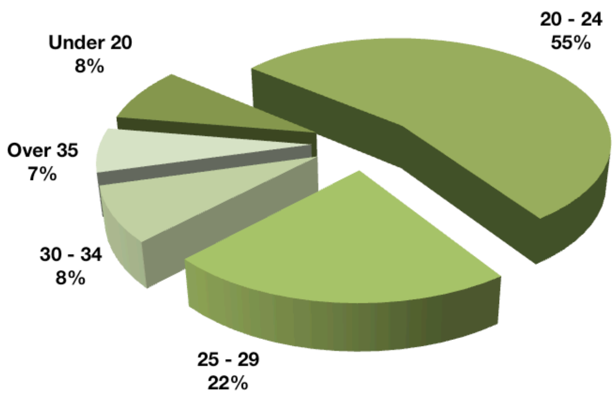
7. Kenya

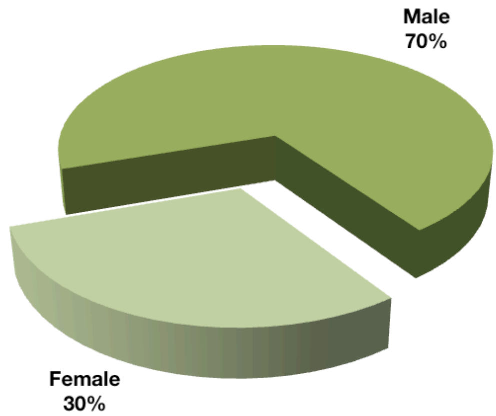
Summary

- In 7th place is Kenya (522 million impressions) despite slower growth (3%) in the fourth quarter, following six months of triple digit growth.
- Compared to 2010, the Kenyan audience grew by 245%.

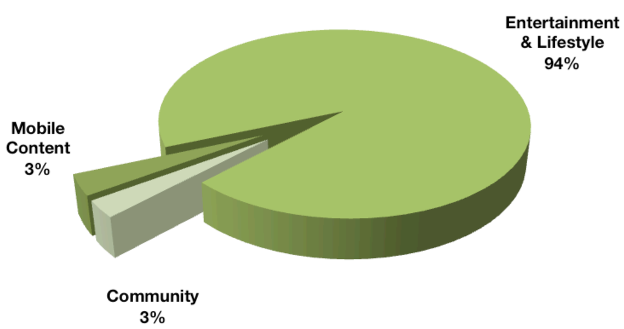


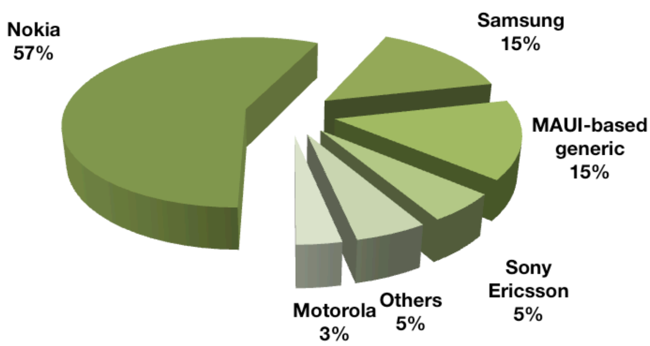
Demographics (age and gender)





Channels and handsets

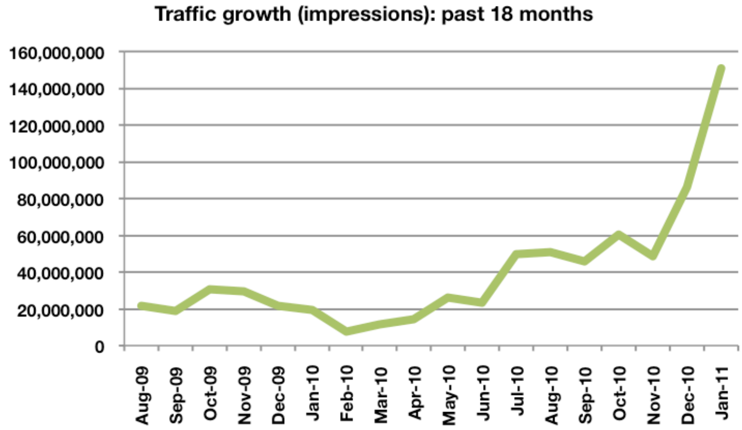




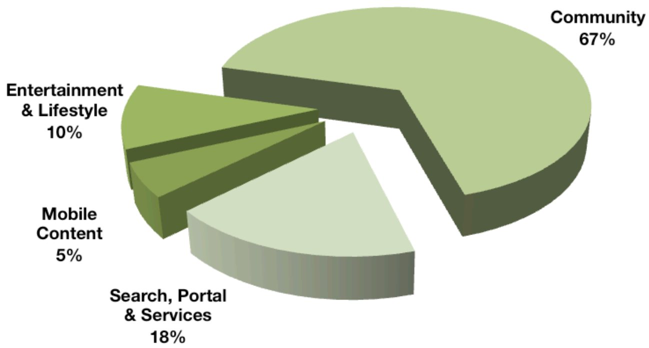
8. China

Summary

- Along with South Korea, China has blasted its way into the top 10, with its stellar growth in the last quarter of 2010 continuing into January.



Channels



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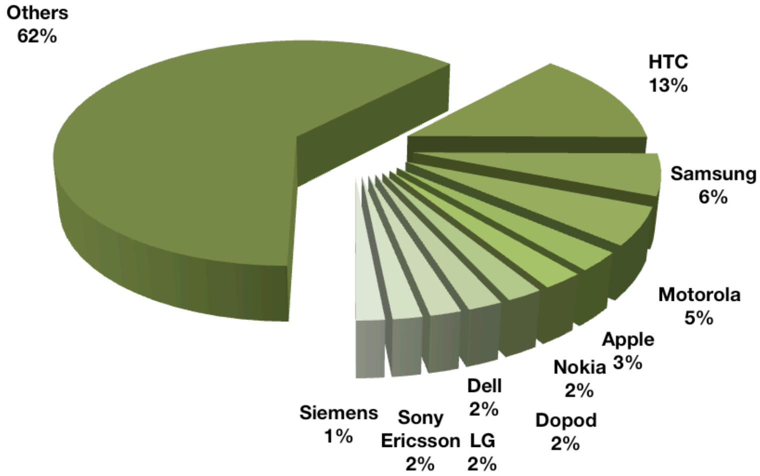
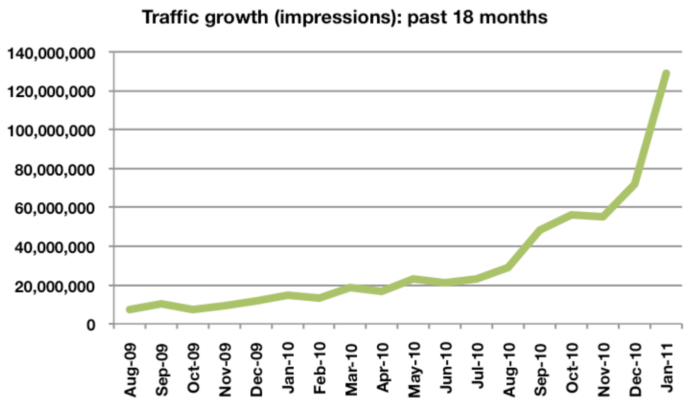


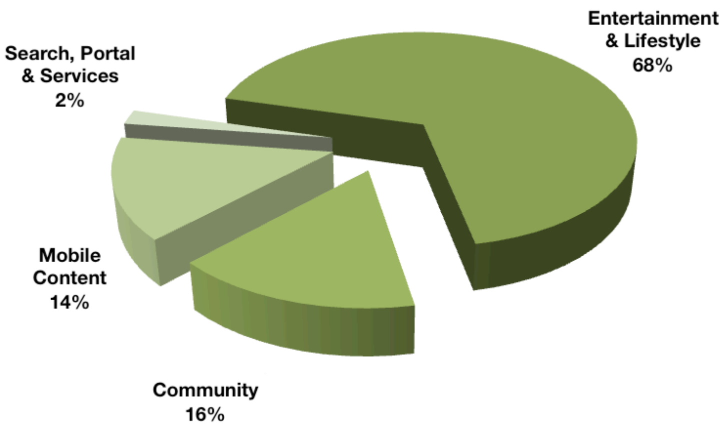
9. Turkey

Summary

- Turkey rose to 9th place as traffic grew by almost 200%, quarter on quarter.
- Traffic is growing substantially in both community and entertainment & lifestyle channels.



Channels



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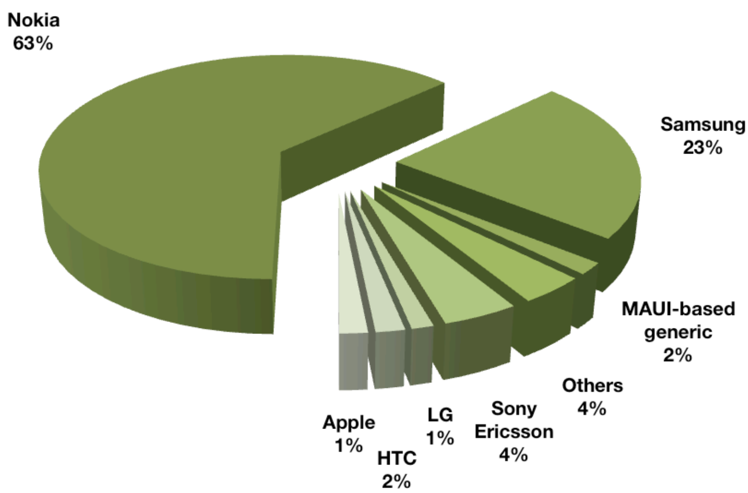
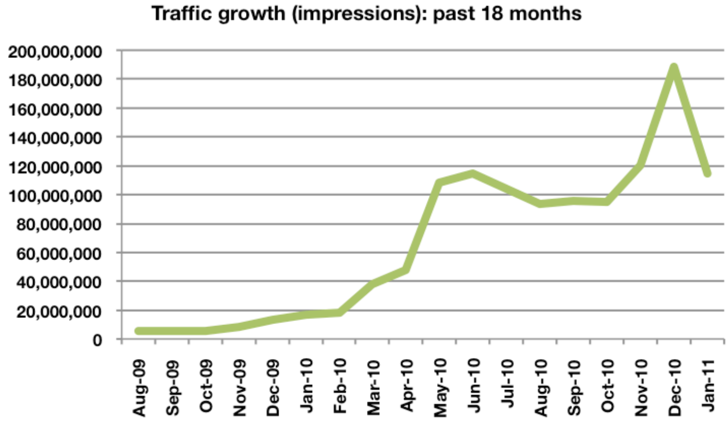


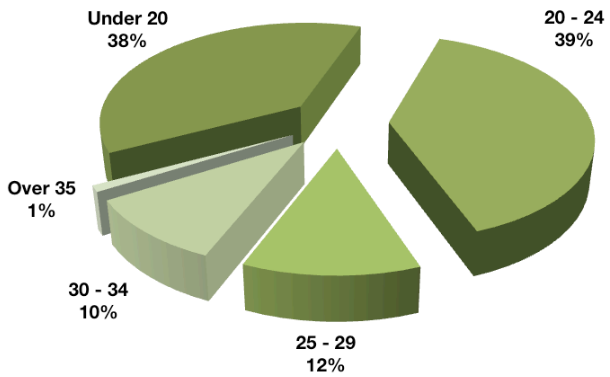
10. Vietnam

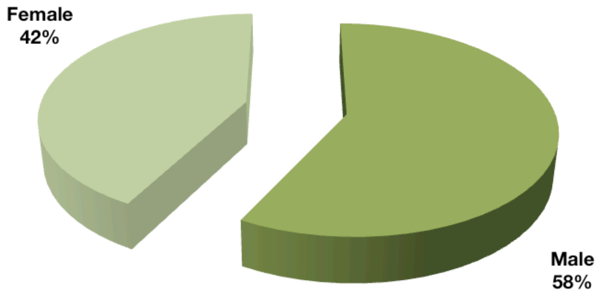
Summary

- Vietnam gains a place in the top 10, in January 2011, driven by increased mobile internet traffic on through both Viettel and Vinaphone.

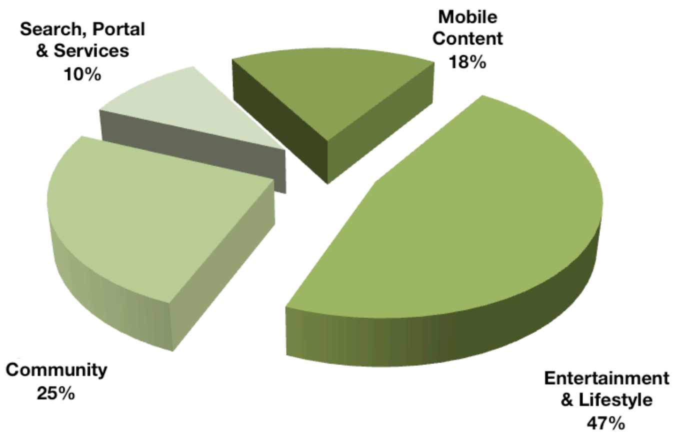


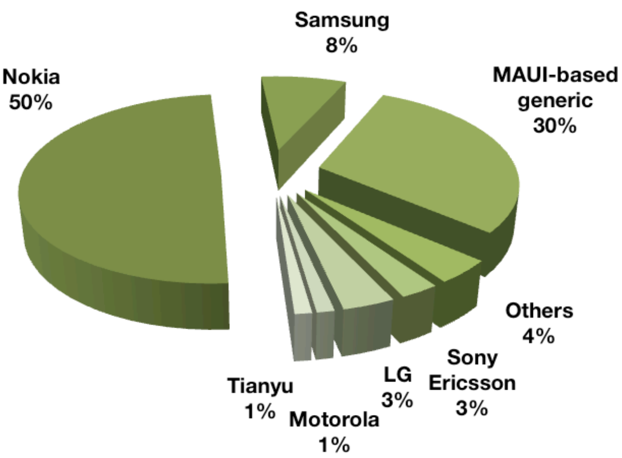
Demographics (age and gender)





Channels and handsets





Market forecast

What to expect in coming months

Advertisers planning campaigns this quarter should look out for the following:

- Price wars will continue to drive **higher usage** in many countries, such as **India, Kenya, South Africa and Nigeria. The Philippines** has started to introduce lower pricing options, but still has some way to go.
- **Mobile content (applications and services)** continues to be in high demand, and in many markets, the undersupply of publishers and content may result in inflated costs of mobile internet advertising
- **Smartphone usage** will increase in all markets, with contributions from **'white box'** manufacturers changing the landscape. The line separating smart phones and feature phones will continue to blur.
- Growth and demand for mobile internet advertising continues to increase in the **US and Western European markets** as these economies emerge from recession, and gain fresh marketing budgets.
- **Emerging markets** (India, China, Indonesia, Thailand and a number of South American and African countries) will continue to contribute significant numbers of new users to the mix, and as networks continue to roll out 3G services.
- **Both mature and emerging markets are undersupplied** by new mobile services, and we predict that those who can fill that gap will be handsomely rewarded – in ad revenues and user loyalty.

5 key ongoing trends

1. **Demand for content continues to grow.**
    - International players are shifting their attention to high growth new markets such as Vietnam, Ghana, Kenya, Argentina and Brazil.
    - Freemium games are offering brands and entertainment companies the opportunity to generate immersive experiences, which creates loyalty and extends the life of an ad campaign.
2. **Carriers continue to market off-portal,** not so much to gain market share, but to educate their own user bases on new products and services.
    - This off-portal advertising has a dual agenda: to increase data traffic, and to remedy falling revenues from prepaid customers.
3. **The travel and hospitality industry is starting to reap the rewards of mobile.**
    - Campaigns are working to promote specials and fill rooms and seats.
    - Services such as mobile check-in are improving customer experience.
4. **Retailers are starting to move into the mobile space,** especially those associated with carriers and MVNOs.
5. **Basic mobile financial services need to be refined, and promoted effectively.** Many services in the market suffer from poor consumer education, as indicated by our recent user

survey, which demonstrated that mobile users are mostly unaware of the mobile financial services available to them.

Opportunities for advertisers

- **India, Saudi Arabia, South Korea, Kenya and Vietnam** remain bargains for advertisers, with millions of ad impressions at very reasonable rates.
- **Central and South America** continue their explosive economic growth, which is being matched by their increase in mobile traffic, in a number of markets – particularly Mexico, Argentina, Brazil and Uruguay.
- **Mobile strategies have matured, and it's no longer a case of 'apps vs the web'.** Recent brand campaigns have proven the benefits of promoting freemium brand apps with mobile internet campaigns, to extend the life of a campaign and create an immersive brand experience.

Opportunities for publishers

- **Malaysia** has emerged as one of the most expensive markets on a CPC basis, and the chronic undersupply of content and publishers, combined with strong advertiser demand, have inflated advertising rates very fast. Publishers who grow their inventory now, and meet that user demand, are sure to earn healthy revenues.
- **South Africa** remains one of the hottest markets in mobile, with consistent advertiser demand from a maturing ad industry that is delivering new consumer brands to mobile each month. Relative undersupply of locally relevant content is a great opportunity for publishers. Carriers in particular are facing a great opportunity to earn revenue on their content.
- **Localised content draws increased usage.** Stats from our games platform have proven the benefits of including local characters, themes, presentation and language in the success of a game, with partners using this approach to great effect in China, India and Thailand.

Opportunities for app developers

The app explosion has created a valuable market over the past two years, with ad-supported games, and free trials of useful/addictive games and apps effectively generating revenues.

- **Ad wrappers** are effectively generating revenues for a number of developers. They display ads as games are starting up and being closed. The benefit of ad wrappers is that they do not require re-coding of your existing catalogue of games. An ad wrapper literally "wraps" itself around your applications, adding a new revenue stream, and allowing more competitive pricing of premium games.
- **Take advantage of opportunities to localise your apps.** Our games platform demonstrates that certain games are favoured above others in particular markets (for example, Bangladesh loves soccer games; Thailand loves online games, the Ukraine loves gambling). Simply incorporating a local theme or language option can open up entirely new markets, at very little cost.
- **The key to success is effective distribution,** and services that facilitate discovery are important partners. Take advantage of platforms that syndicate free and ad-supported apps to a significant global audience of mobile users.

Feature:
Mobile Lifestyle Survey

Background

BuzzCity provides a number of regular reports to our partners, which track trends and usage patterns in the mobile internet environment. These reports provide important practical insights to our advertising and publishing partners, and give a snapshot of existing activity.

There are some questions, however, that remain unanswered by analytics alone. For this reason, we run regular surveys, in which we ask specific questions of a sample of our users in key countries and regions.

Such surveys provide the qualitative insights often lacking in statistics alone, and give us answers to the questions often asked by mobile marketers, fleshing out our picture of exactly who is browsing the mobile internet, and what they want.

The survey was conducted simultaneously in 13 countries, and the questions were asked in the dominant local language of the particular group of users in each country.

We ran the surveys in conjunction with On Device Research, a London-based mobile survey and research company, which provided third-party validation of our audience. All data in the survey was sourced jointly, via On Device's own platform. The survey period was October 2010 to January 2011, and we polled a total of over 5,000 users – our largest and most comprehensive survey to date.

Focus

The focus of our latest survey was to gain a richer idea of the life stages at which the mobile internet audience finds itself. These particular life stages (completing studies, finding a job, or starting a family, for example) drive key purchasing decisions, and provide clear validation to advertisers of consumer goods and services on market potential, and the calls to action that are appropriate and resonant in the medium.

The survey touched on the following specific subjects:

- Demographics (gender and age)
- Internet access devices (fixed vs mobile internet)
- Access to internet-enabled devices
- Leisure activities
- Plans for the next 6 months
- Planned purchases (electonics) within the next 6 months
- eCommerce purchase history
- Intent to make online purchases

We ran a similar survey two and a half years previously, in July 2008, and where possible, we kept the question exactly the same as previously, to allow us to draw comparisons, and look for changes in behaviour or composition of our audience.

Survey findings

The survey provided the following overall insights on mobile internet users' behaviour.

1. **The mobile internet audience is ready to take charge of its career.** Over 30% of respondents are likely to look for a new job within the next 12 months – either because they will graduate, or because they are looking to switch employers.
2. **Over half of respondents have made remote purchases of goods or services.** 53% of respondents have made a purchase via mail, phone or internet. Including digital content (distributed via an app store or portal), the number of respondents who have transacted jumps to 82%.
3. **Downloads are the most popular items purchased** (23%), followed by physical digital content products such as DVDs (11%) and tickets for entertainment or travel (10%).
4. **Mobile is an enormous financial services opportunity.** 46% of respondents state that they would use their phones for financial services (money transfers, bill payments and loan applications), if these services were available to them.
5. **Interacting with electronic media (TV, movies and music) is the mobile user's favourite leisure activity.** Entertainment houses have started to capitalise on this, with over 10% of respondents having booked a movie ticket online (a growth of over 6% since we last ran the survey in 2008).

Trends

Taking into account our previous life stages survey completed in mid-2008, we are able to draw the following conclusions and comparisons.

1. **Little has changed.** There are still significant opportunities for content providers and ecommerce companies who respond to the rapidly growing demand for mobile content, services and ecommerce products online. eCommerce on Mobile is dwarfed by the fixed internet, yet over half of respondents do not have regular daily access to a computer. The mobile commerce and services are far from crowded, and opportunities abound for companies willing to meet consumer needs.
2. **Users have higher expectations of the medium, and are more sophisticated.** Compared to 2008, more users have transacted online, with only 18% claiming never to have made a mobile transaction. They also have higher expectations of the medium, and are eager to take up new products and services.
3. **Users have a higher propensity to make eCommerce transactions.** The level of trust and openness to transacting online has grown, and users are ready and willing to make the transactions. Key barriers in most of the countries polled, it appears, are the provision of a mobile wallet / payment solution, and actual goods and services that meet everyday consumer needs.
4. **There is *still* a significant and increasing demand for online content.** Global demand for content has increased, and has not been matched by companies taking up the opportunity to provide valuable, engaging and entertaining content to users. This includes digital content such as mp3s, videos, ringtones, games and applications, as well as product information on goods and services.
5. **There is *still* a great demand for services too.** The demand for content is matched by a demand for everyday mobile services (payment of parking fees and restaurant bills, buying groceries, and so on), with 45% asking for more integrated ecommerce solutions, over and above pure financial services.
6. **The mobile phone is the new king of the gaming market.** In 2008, the press was abuzz about the array of games consoles flooding the market. Today, users are far less inclined to

purchase consoles, or games-specific hardware, as the volume and variety of free and paid games and applications, and the ever-improving hardware and capability of phone handsets create immersive, personal game-play. Only 8% of respondents expressed interest in buying a games console.

Survey methodology

The survey was kept short to cater to the mobile internet. Participants were asked 11 questions: 10 multiple choice questions plus one open-ended response.

The survey was conducted from October 2010 to January 2011 in 13 countries, representing a variety of geographic regions: the Americas, Europe, Asia, Africa and Oceania.

We selected five countries – India, Indonesia, Kenya, South Africa and the United States – because they are among the top ten traffic-generating markets worldwide, and are seeing increasing advertiser demand. Germany, Malaysia, the Philippines, Thailand and the United Kingdom are ranked in the second-ten highest traffic-generating markets, with Malaysia and the United Kingdom experiencing particularly high advertiser interest. Australia and France have grown significantly, and consistent advertiser activity proves they are maturing, and attracting a higher percentage of brand advertisers. Singapore is our home-ground, and an excellent barometer of activity for Southeast Asia.

	Country	Total inventory (Jan 2011)
1	Australia	30,474,355
2	France	30,525,453
3	Germany	77,283,478
4	India	1,625,274,508
5	Indonesia	1,278,987,493
6	Kenya	172,731,154
7	Malaysia	77,610,372
8	Philippines	43,386,438
9	Singapore	29,654,477
10	South Africa	205,056,739
11	Thailand	73,731,117
12	United Kingdom	86,068,994
13	United States	758,975,061

India, Indonesia, Malaysia, South Africa, Thailand and the USA have all exhibited consistent growth and heavy user participation, with well-observed usage patterns.

The table on the left shows the countries where the survey was conducted, with the total inventory of advertising served in those countries, in January 2011.

Promoting the survey

A graphical banner campaign was sent live in the relevant countries, to promote the survey to members. In addition, we promoted the survey in the relevant countries, with text banners and inbox messages on our social networking site, myGamma. When clicked, the ads directed users to the survey questionnaire, hosted by On Device, our research partner for this survey.

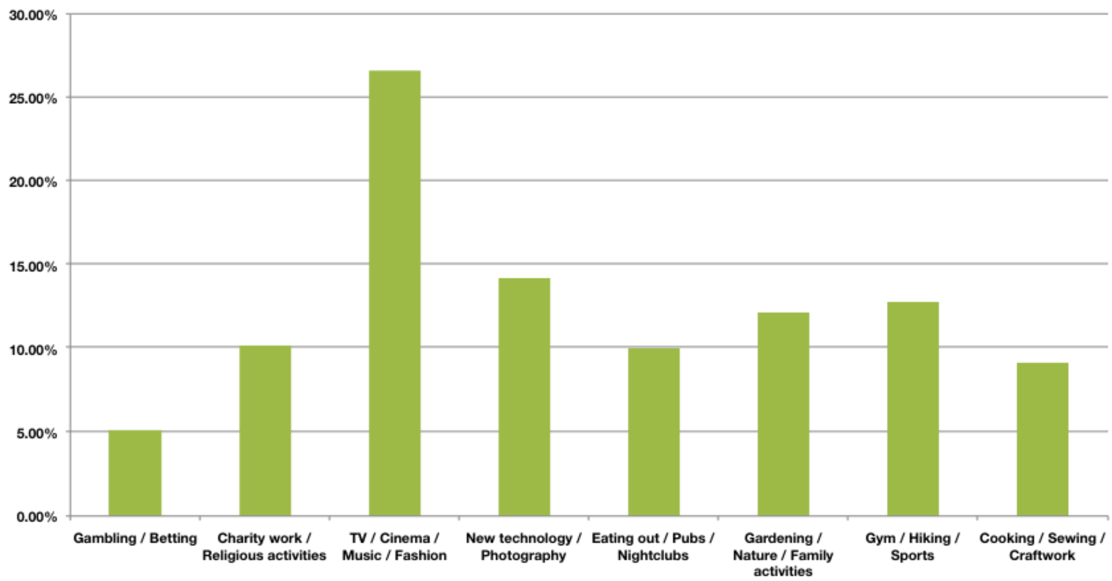
The survey was restricted to the particular countries being studied, and open to any mobile internet user in that particular region. Each respondent was allowed a single response. Survey participants were entered into a lucky draw with the chance to win US$50.

The final results reported in this report are a mix of quantitative data and qualitative analysis, including informal, including results from previous lifestyle surveys. Where possible, survey data was also corroborated with data from myGamma's servers.

1. Which of the following leisure activities do you enjoy?

As the mobile internet becomes increasingly important to users in their everyday lives, we wondered whether traditional leisure activities might be affected. Many mobile services, after all, are basically entertainment or consumer-centric activities.

We also included an option in this question for charity and religion. While these are arguably not leisure activities, they do not constitute paid work.

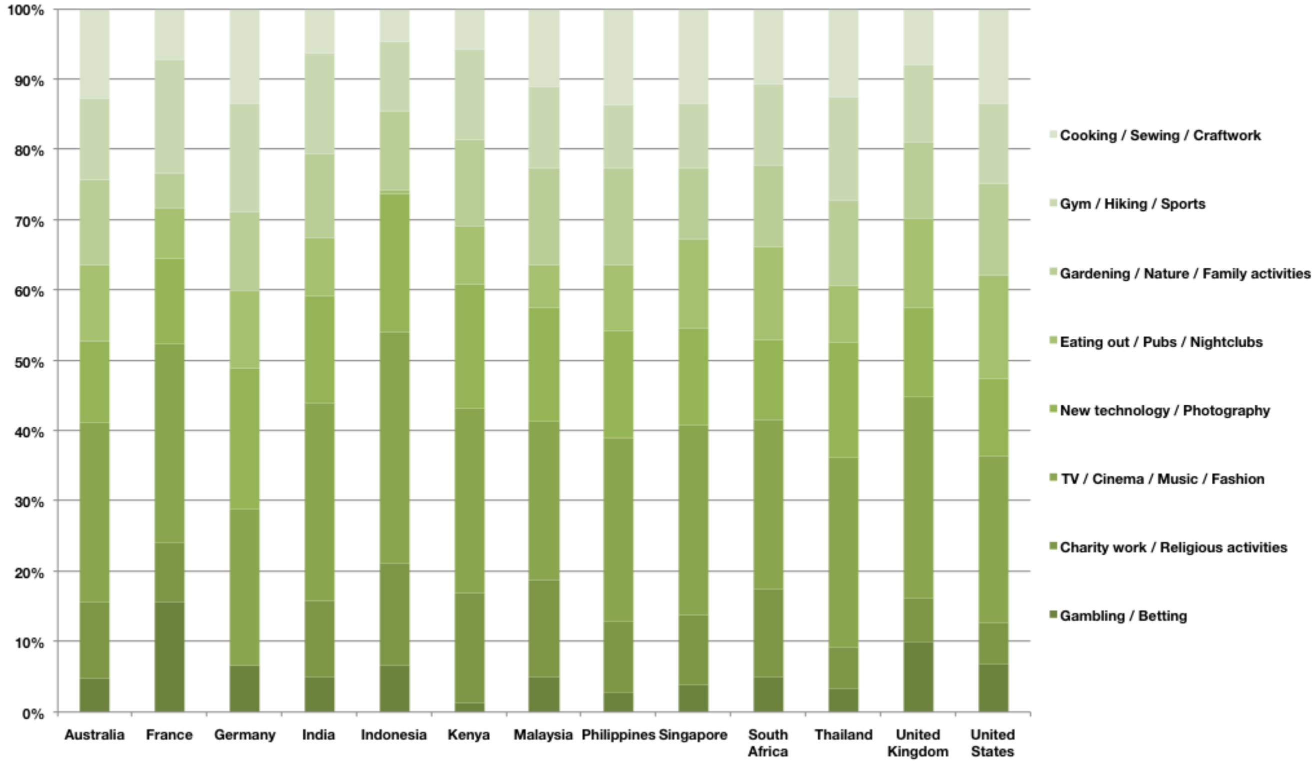


Key findings

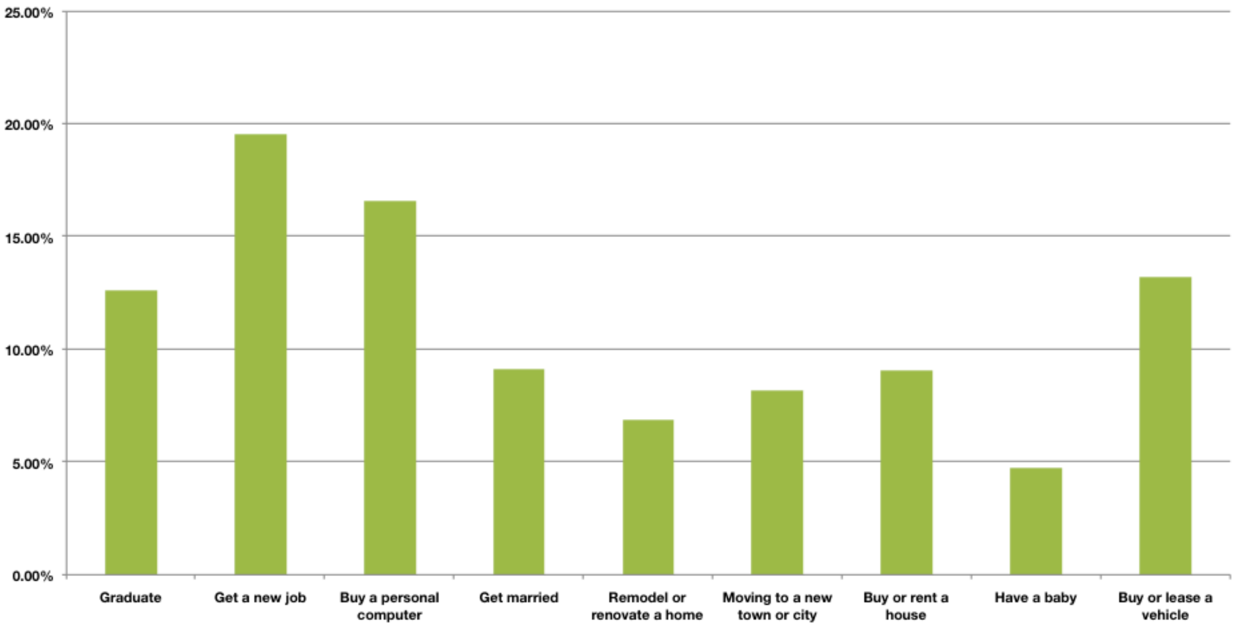
- Consumption of popular cultural products (TV, cinema, music and fashion) is the dominant leisure activity, with 26.61% of respondents choosing this option.
- Interacting with, and reading about, new technology / photography is the second most popular category, with 14.17% of respondents selecting this option.
- Across the network, 43.96% of respondents are engaged in participative leisure activities. These are made up of:
    - Gym / Hiking / Sports (12.73%)
    - Eating out / Pubs / Nightclubs (9.97%)
    - Cooking / Sewing / Craftwork (9.15%)
    - Gardening / Nature / Family activities (12.11%)
- Globally, very few respondents chose gambling / betting (at only 5.12%), making it the least popular leisure activity overall. Key exceptions are France (15.60%) and the UK (9.86%), where it attracts a significant following.

Leisure activities: side-by-side country comparison

The following chart provides a side-by-side view of answers to the question ‘Which of the following leisure activities do you enjoy?’ for each country.



2. Which of the following do you plan to do in the next 6-12 months?



Significant life milestones

- Mobile internet users are approaching significant life milestones:
    - 9.12% plan to marry within the next 12 months.
    - 4.77% plan to have a baby.

Mobile internet is a good recruitment channel

- A global average of 12.65% of respondents expect to graduate within the next 12 months, and another 19.47% are planning on changing jobs, making a total of 27.52% of respondents who will be looking for work within the year.
- This is good news for recruiters and placement agents.

Student populations

- Top countries polled to be producing graduates in the next 12 months are India (17.03%), France (14.17%) and Thailand (12.38%).
- The lowest anticipated graduates of those countries polled are from Singapore (2.51%), the UK (7.00%), Germany (7.14%), Malaysia (7.46%), and South Africa (7.73%). We assume that the student populations of these countries are predominantly active on the fixed internet.

Job market stability / volatility

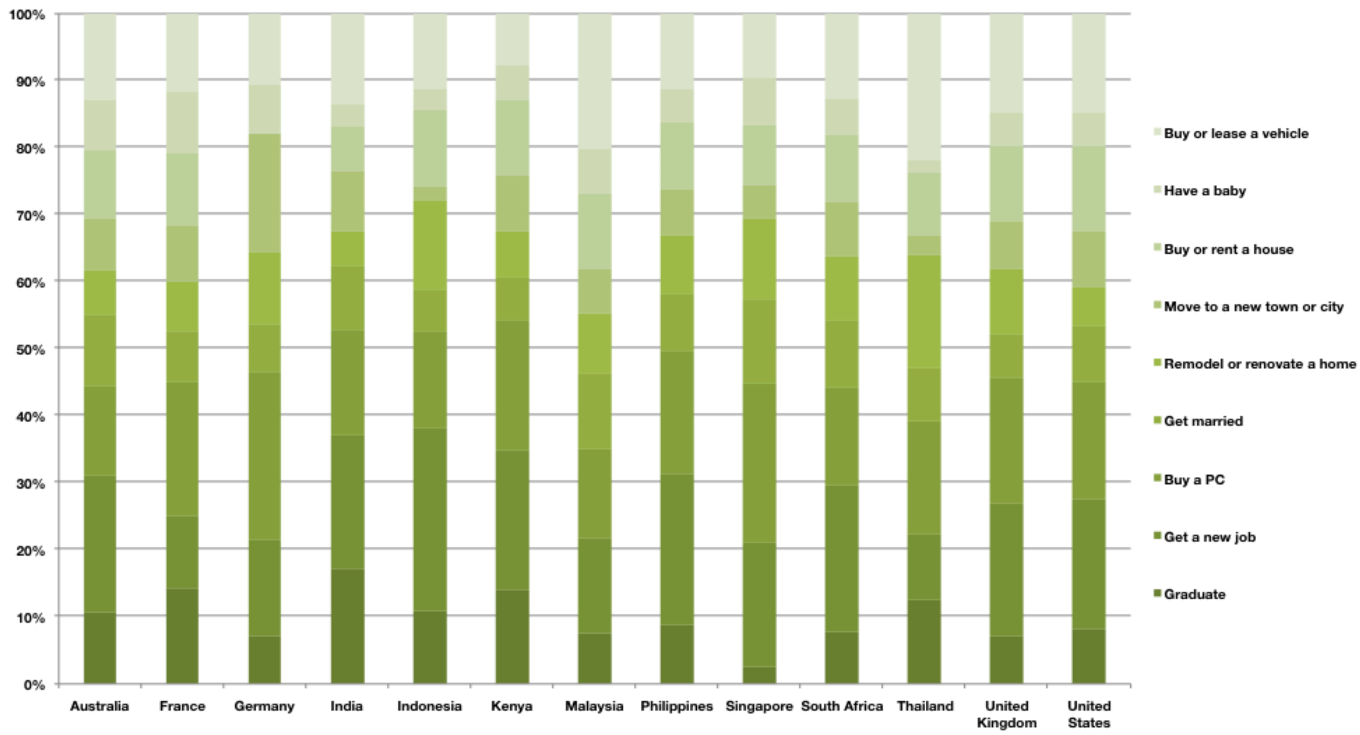
- The most stable and loyal populations of mobile internet enabled employees are Thailand and France, where only 9.90% and 10.83% respectively plan on a change of career within the next 12 months. The most volatile job-markets surveyed, where users plan on changing employers, appear to be the Philippines (22.54%) and Kenya (20.84%).

Computer purchases

- The purchase of PCs is a key indicator of the upward mobility, and of our global population polled, 16.57% plan to buy a computer in the next year. The highest anticipated computer purchasing activity will take place in Germany (25.00%), Singapore (23.62%) and France (20.00%).

Life milestones: side-by-side country comparison

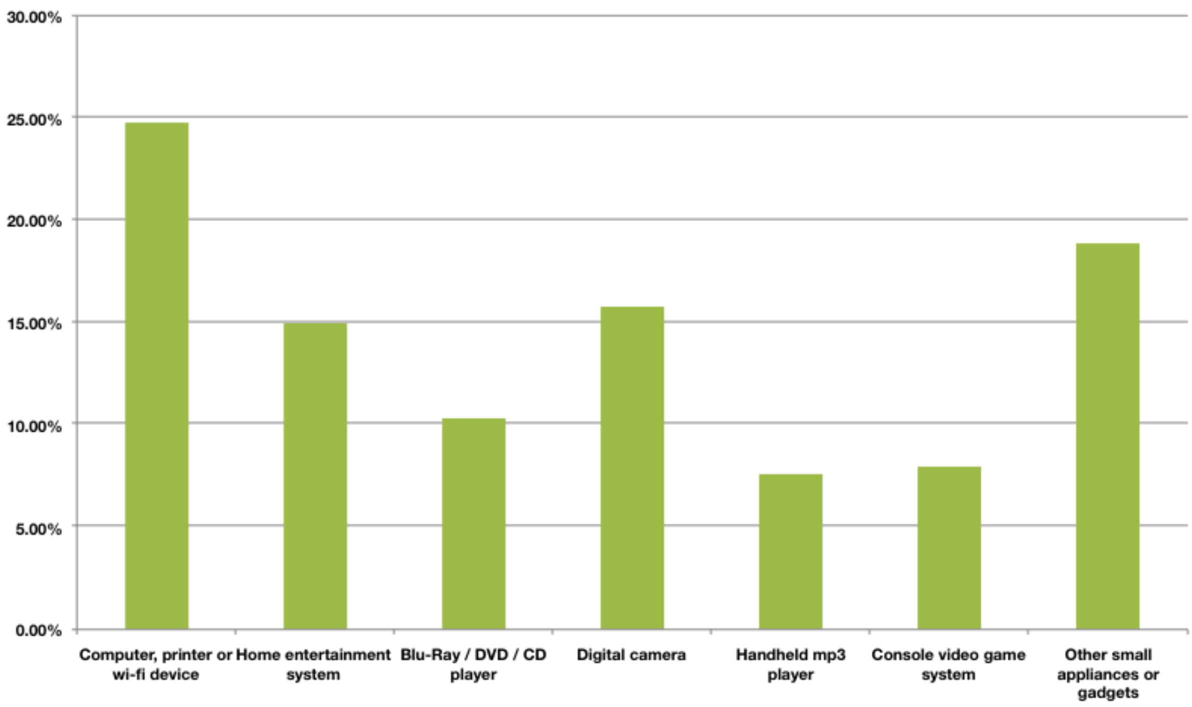
- The following chart provides a side-by-side country view of the various life milestones being approached by the mobile internet enabled populations of each market.



Industry opportunities

- **Real estate:** 9.05% of our audience plans to buy or rent a house, and 6.88% plans to remodel or renovate a house. In addition, 8.18% of respondents plan on moving to a new town or city. The mobile internet therefore reaches a combined 24.11% population that's currently either moving, renovating or relocating, a significant opportunity for the real estate industry.
- **Automotive:** 13.21% of users surveyed plan to buy or lease a new vehicle within the next 12 months, an opportunity for automotive companies.
- **Financial services:** Perhaps the largest opportunity lies with the financial services industry, which can reach users and capitalise on the milestones that present financing, insurance and planning opportunities.

3. Are you considering buying these items in the next 6-12 months?



The digital lifestyle

- In addition to their existing mobile devices, 20.90% of the global audience surveyed is considering buying a computer, printer or wi-fi device (the most popular of the categories offered).
- Demand for computers and peripherals is by far the highest in Indonesia, where 47.94% of respondents claim that they are planning on purchasing one in the next year. Other notable countries with high demand for PC equipment are France (28.57%), Australia (25.83%) and India (24.68%).
- Globally, computers and peripherals are followed closely by the choice 'Other small appliances or gadgets' (19.58%).

Digital cameras remain desirable items

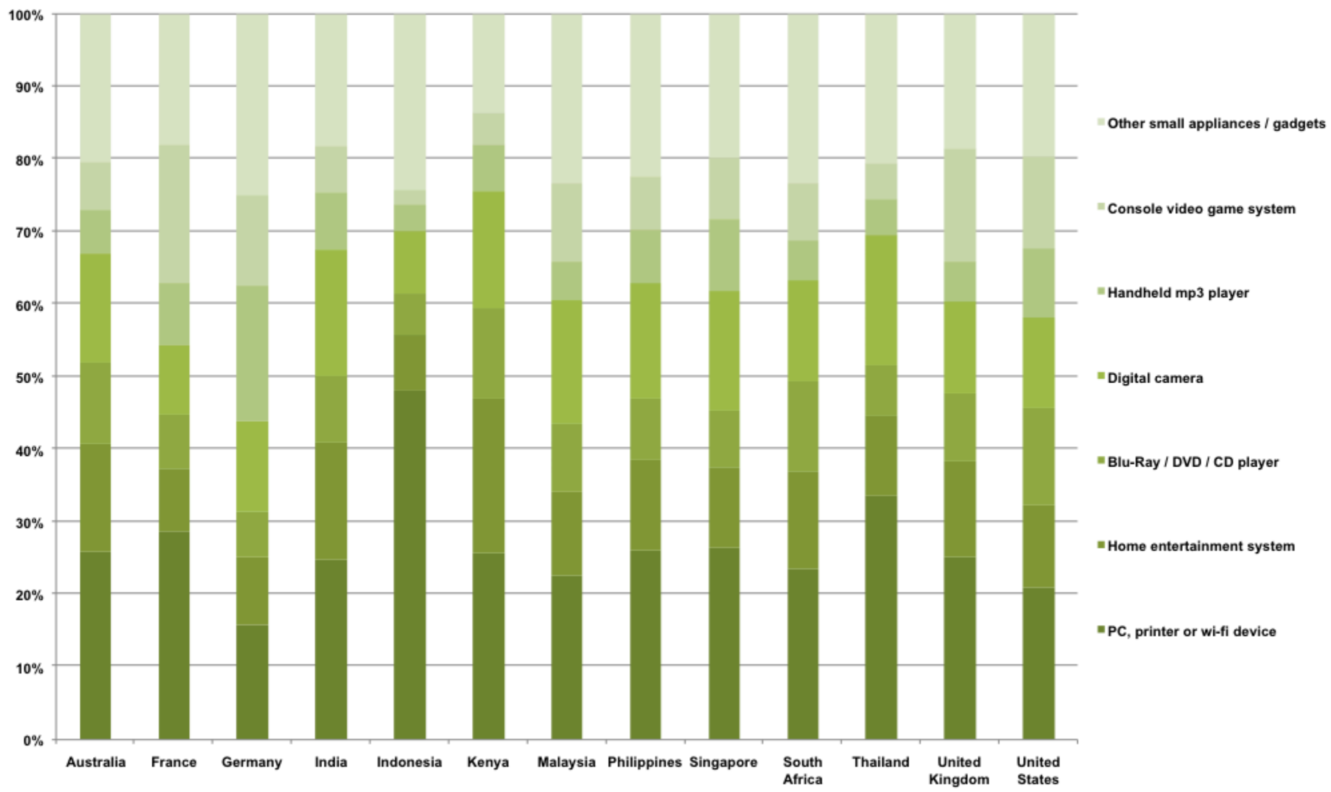
- 12.47% of users (a growth of nearly three percent from our 2008 survey) are considering buying a digital camera – a surprising trend considering the number of smartphones and feature phones on the market equipped with cameras.
- This could demonstrate that mobile internet users appreciate having specific devices with dedicated functions, or that they don't mind owning devices with overlapping functionality, if they provide a better quality result and are purpose-built.
- Digital camera demand is highest in Thailand (18,00%), India (17.44%), Malaysia (17.05%) and Singapore (16.51%).

Demand for video game consoles drops

- Interest in video game consoles has fallen significantly since we last asked this particular question in 2008, to 7.94%.
- It appears that mobile gaming may be challenging the video game console market, now that phones are behaving more like computers, and offering enticing, immersive gameplay experiences.
- By contrast, though, this doesn't seem to have diminished demand for computers (see question 2).

Purchase considerations: side-by-side country comparison

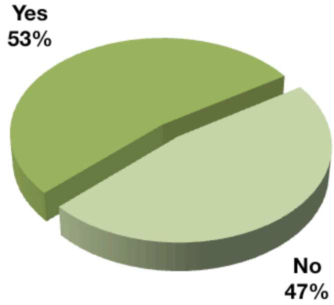
- The following chart provides a side-by-side view of answers to the question 'Are you considering buying these items in the next 6-12 months?' for each country.



4. Have you bought goods or services via mail, telephone, internet or mobile?

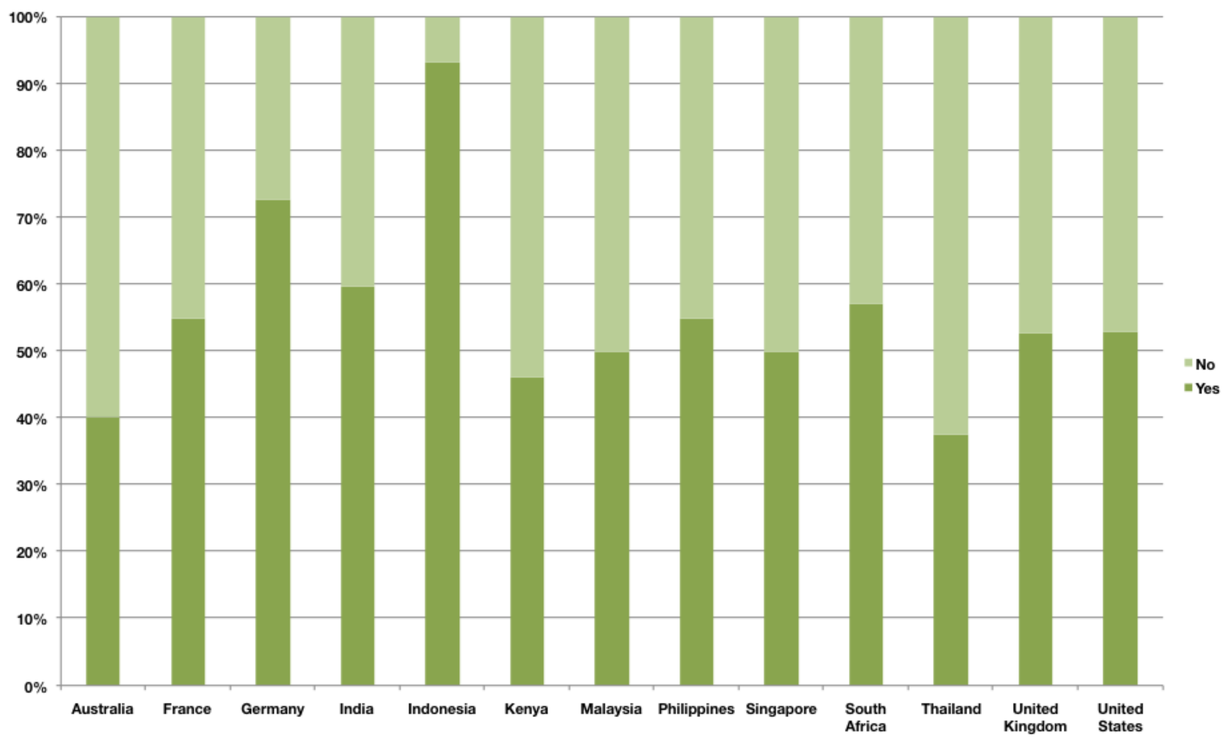
Are users comfortable to make remote transactions?

- This question determines how comfortable users of the mobile internet are with remote transactions, to determine their eventual propensity for mobile internet purchases.
- 52.87% of respondents have bought goods via internet, mobile, post or telephone.

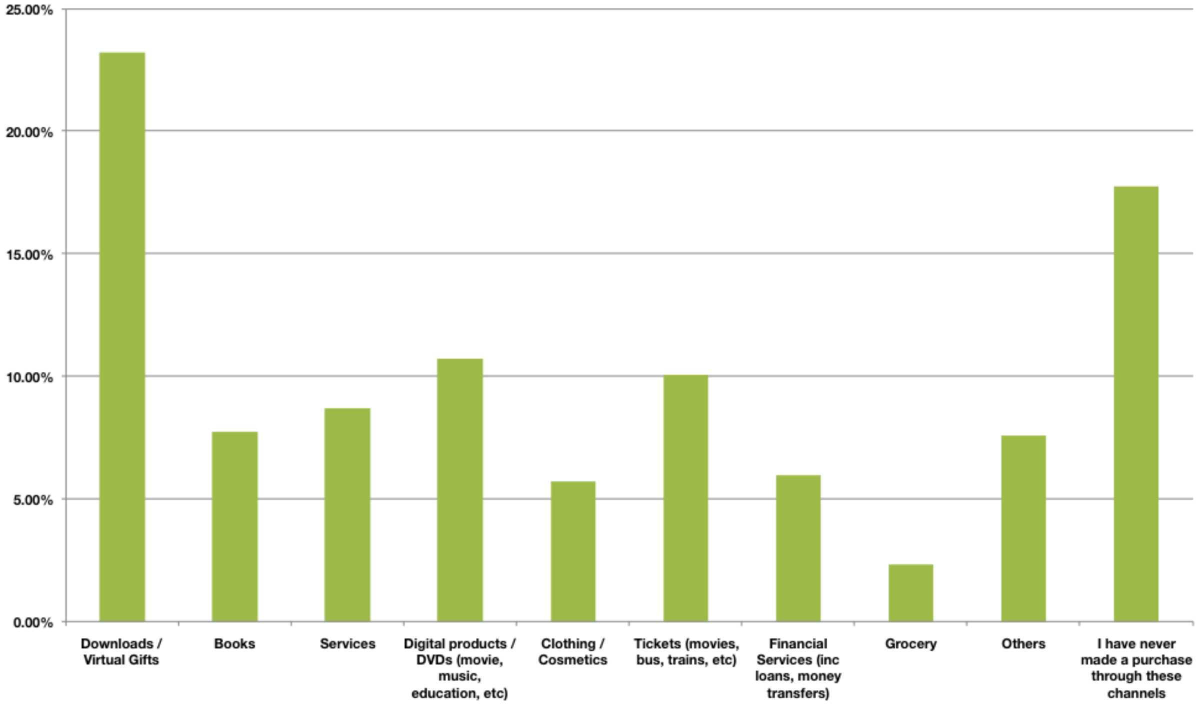


Which countries are most actively making remote transactions?

- Indonesia leads the pack, with a surprising 93.30% of users having made remote purchases. Behind Indonesia is Germany, with 72.73%.
    - This might well be a result of blog shops, a byproduct of Indonesia's blogging culture, leading to remote purchasing activity.
- The least likely to make purchases are in Thailand, with just 37.50% of respondents having made purchases remotely.



5. Which of these have you bought through mail, telephone, internet or mobile?



Downloads lead the pack

- The most popular items for remote purchase are downloads and virtual gifts, with 25.13% of users polled having purchased these items.
- This is most likely the result of two factors: immediate gratification (users get the content or download immediately, and there is no delay or delivery required), and the proliferation of app stores and other app download portals over the past year or two.
- Books and digital media such as DVDs make up a combined 18.49%. This marks an interesting shift in behaviour in the past 18 months. In our last lifestyle survey, the most popular items for remote purchase were books, with about one quarter of respondents having bought at least one book remotely. The drop could also be attributed to slowing of sales of books and other media, as digital downloads replace them.
- The top countries for purchase of books and digital media are the US (20.98%), the UK (20.46%) and India (19.54%).
- 18.18% of our global respondents have never made a remote purchase through mail, telephone, internet or mobile before.

Financial services and ticketing show growth

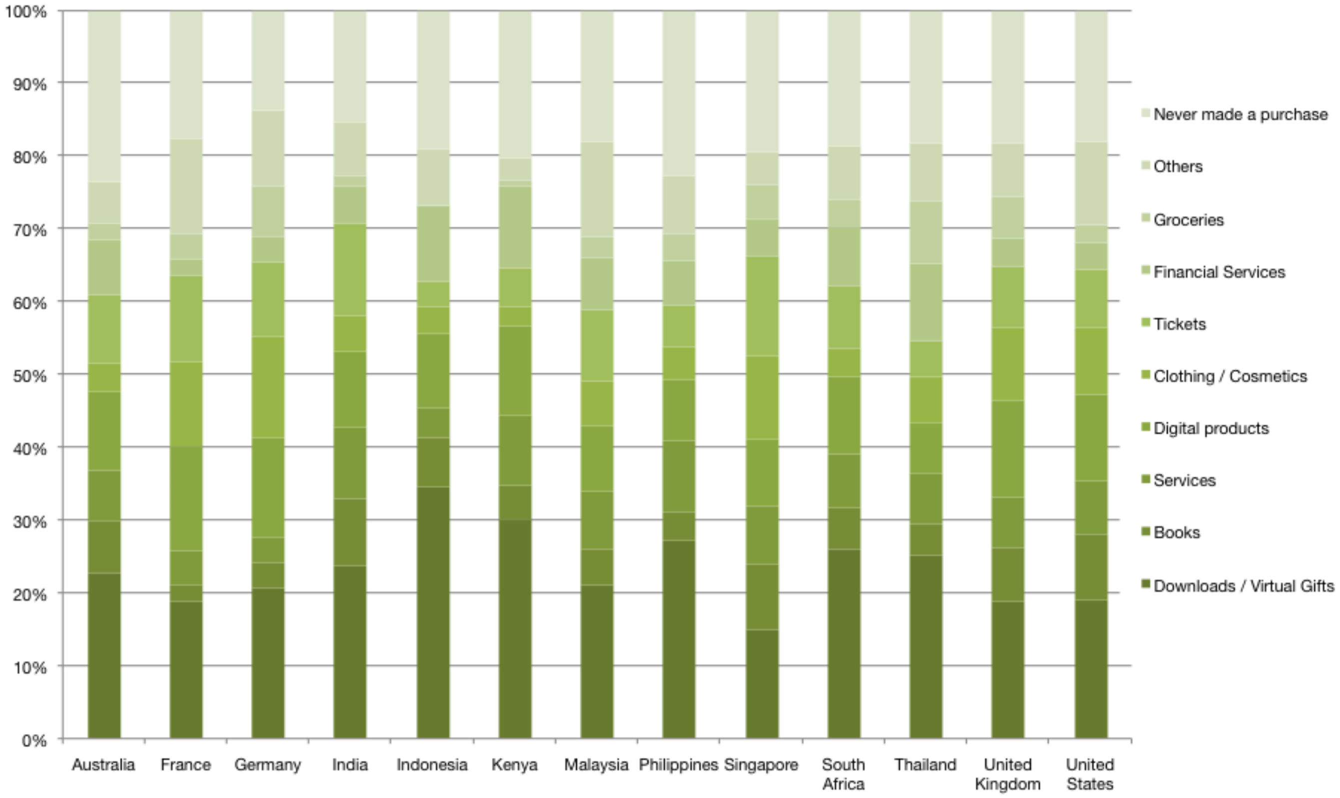
- One gratifying sign of progress is the growth and adoption of remote financial services. In our last survey, this category scored very low indeed, with no more than two or three percent of respondents having bought financial services products or transacted remotely. This figure now stands at 6.01%.
- Likewise, ticketing has shown growth, with 10.09% of global users having purchased tickets for travel or entertainment remotely.

Online grocery shopping lagging behind

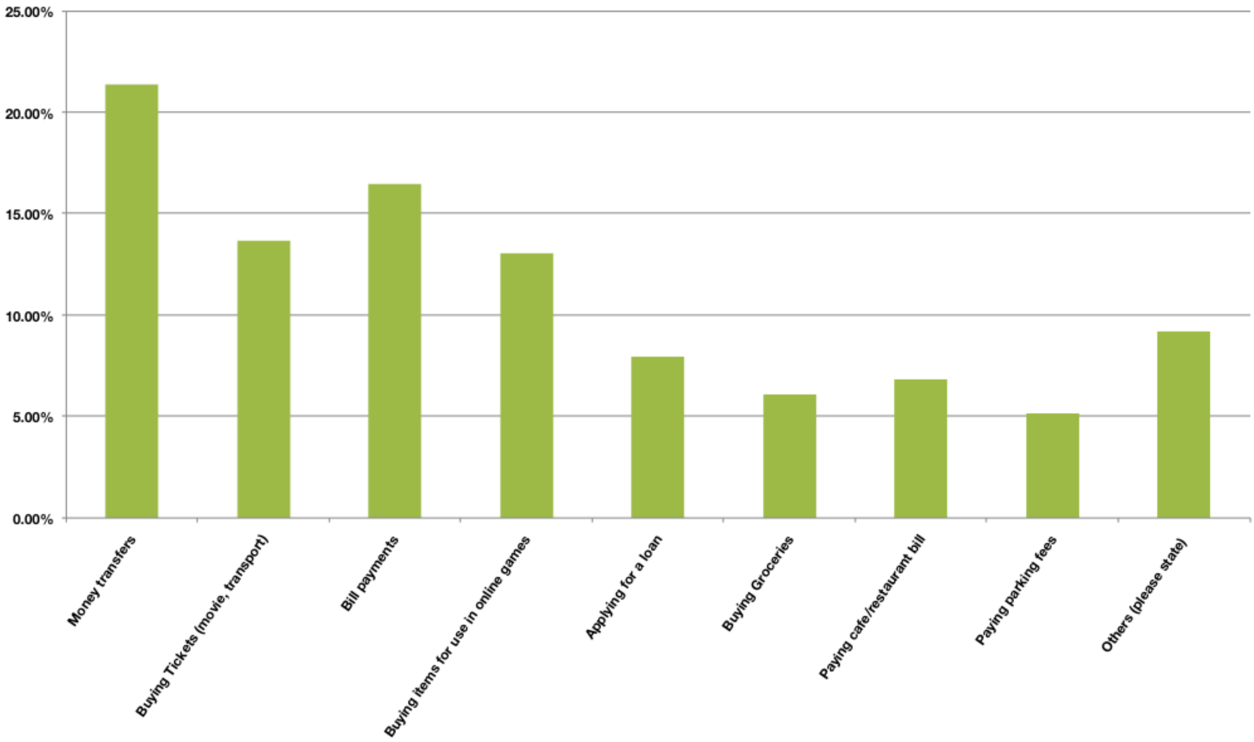
- Of all the product categories mentioned, mobile internet users appear at first glance to be least interested in grocery shopping, with just 2.38% of respondents having purchased groceries remotely.
- This is probably due also to a lack of grocery delivery services in many countries, though, and unlikely to be an indication of lack of interest.

Remote purchase activity: side-by-side country comparison

- The following chart provides a side-by-side view of answers to the question ‘Which of these have you bought through mail, telephone, internet or mobile?’ for each country.



6. If not yet available, what other services would you use your mobile for?



High demand for financial services

- Mobile internet users are clearly open to using their mobile phones for a variety of new services, including financial transactions. Nearly half of all respondents want to be able to transfer money, take loans or pay bills (a cumulative total of 45.91%).
- At 21.42%, money remittance is by far the most desired service, reinforcing our previous finding in our 2008 survey.
- Banks and other financial services providers clearly still have a long way to go in educating customers about their mobile offerings, since in many of the countries surveyed, it is clear that users just don't know about them.
    - With that said, the problem could relate to a distrust of current financial services systems. In these instances, it is up to the service providers to reassure and educate the public about the security measures that are in place.

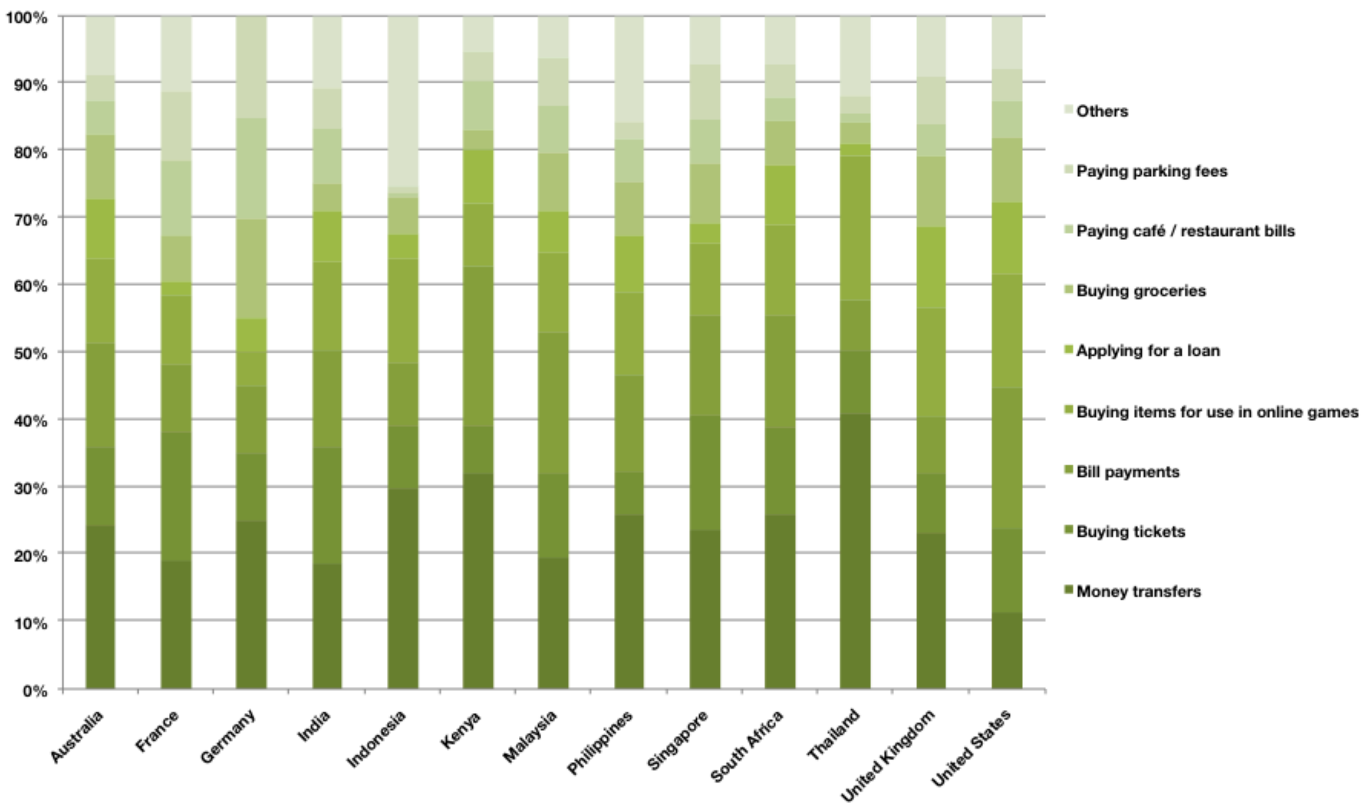
'Other' services

- 'Other' services made up 9.19% of responses, and led to a free-form answer opportunity.
- The responses revealed a number of interesting patterns:
    - Many responses reinforced the need for **financial services products** – with fund transfers the main request.
    - Users are requesting the ability for **cashless payment** at point of sale, requesting such items as 'payments shops' and 'phone credit cards'. Recent advances in near-field payments will hopefully address this opportunity.

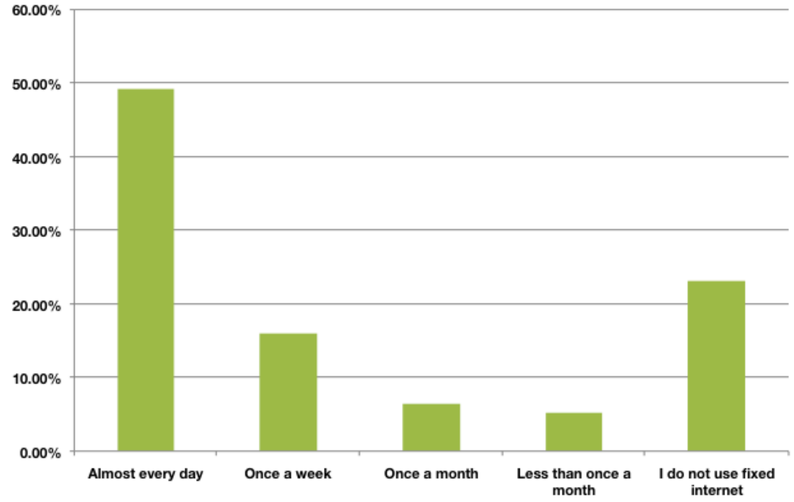
- Accessing **roaming information** was a frequent request in the more mobile Southeast Asian countries such as Singapore, Indonesia and Thailand.
- Users in Australia, India and the Philippines listed **job searches and applications** on their wishlists.
- Indian users are looking for **more sports and movie content,** as well as the ability to more easily recharge prepaid phone balances, and buy SMS bundles.
- Strangely, many Kenyan users requested more **banking services**. Given that Kenya has the world's most successful mobile banking platform, this could be a result of effective education, and proof that more awareness can lead to greater demand.
- Users in all countries requested more **social networking sites,** highlighting the very high demand for these services.
- Thailand's users were most concerned about **data connectivity,** and requested the ability to identify EDGE and GPRS coverage areas more effectively. (3G networks are yet to be rolled out in Thailand.)

Requested mobile services: side-by-side country comparison

- The following chart provides a side-by-side view of answers to the question 'If not yet available, what other services would you use your mobile for?' for each country.

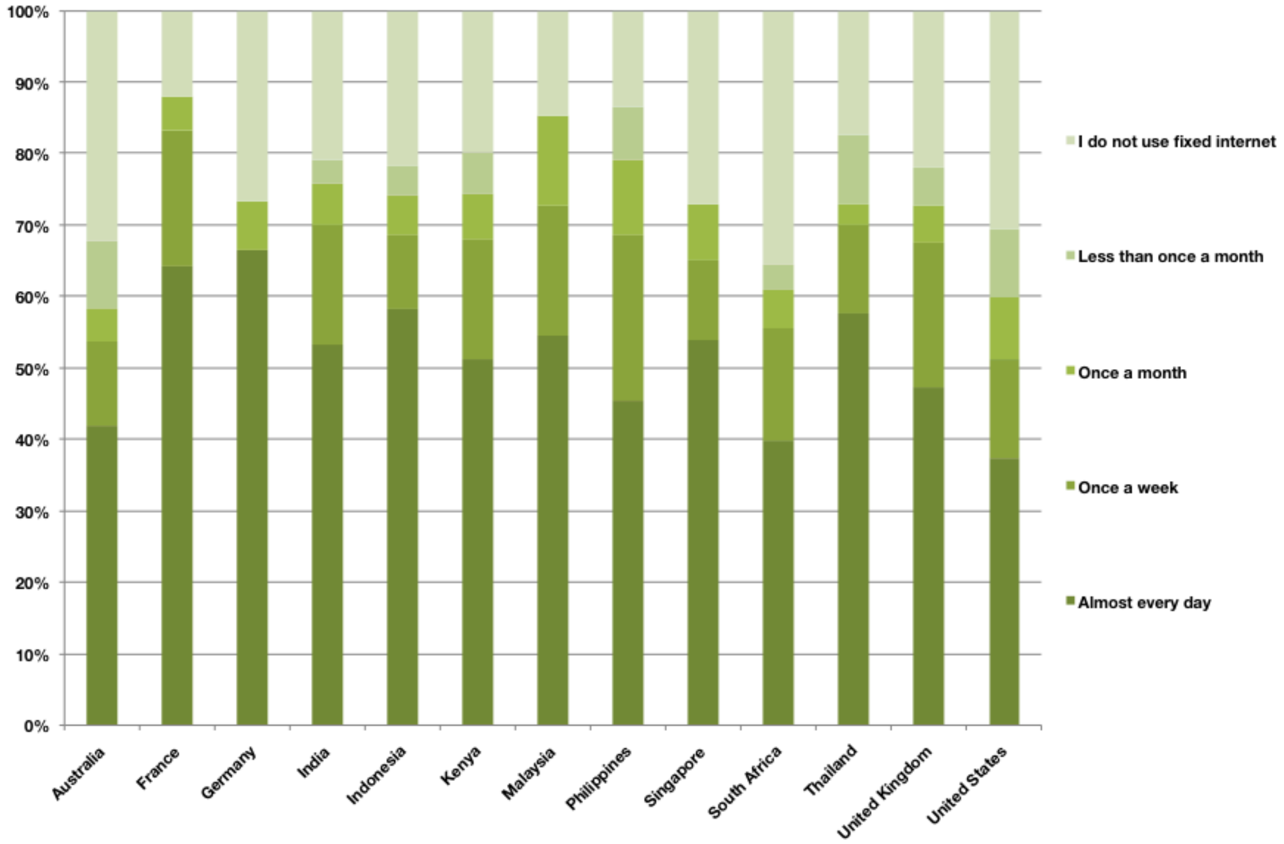


7. How often do you use the fixed internet?



Only half of the mobile audience has regular fixed internet access

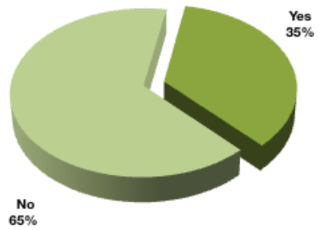
- Only 49.24% of the mobile internet audience has regular daily access to a fixed internet connection. This highlights one of the important mistakes made by marketers, who can assume that the mobile internet audience is the same as the fixed internet audience. It is a distinct audience, often with a very small overlap to other digital media.
- The following chart provides a side-by-side view of answers to this question for each country.



8. Do you use a tablet (eg PSP / iPad)?

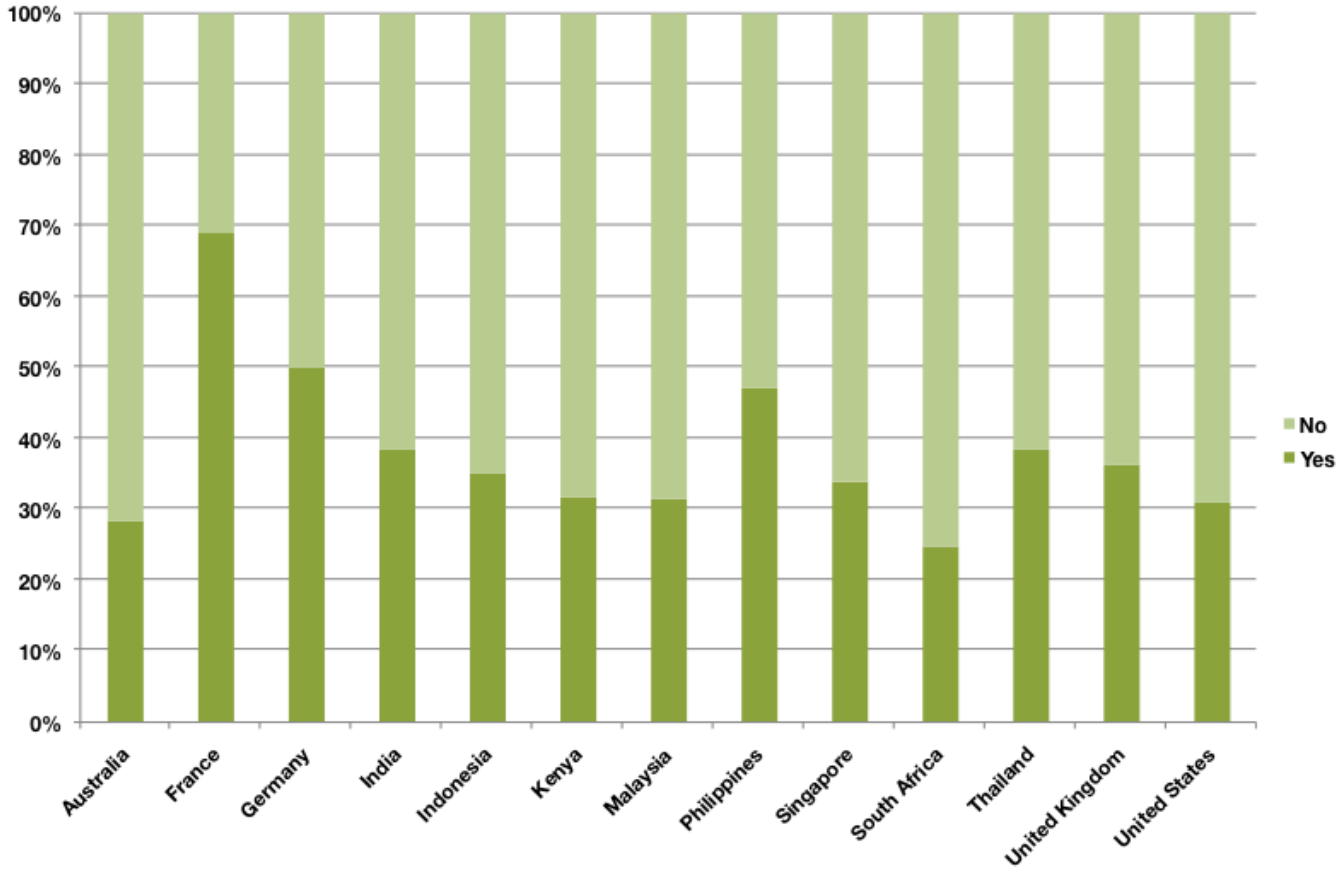
Penetration of tablet devices

- Tablet devices have made a significant impact in the market over a very short apace of time.
- Of the global audience polled, 35.72% claimed to use a tablet device – a remarkable market share to gain in such a short space of time.



Tablet devices: Side-by-side country comparison

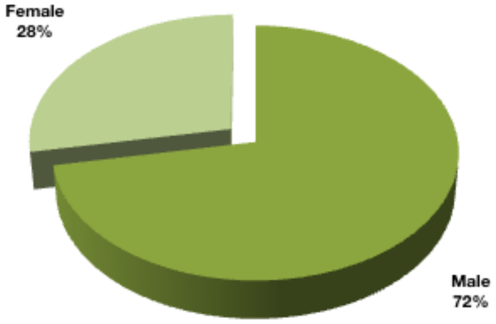
- The following chart provides a side-by-side view of answers to this question for each country.



9. A composite profile: who uses the mobile internet in surveyed countries?

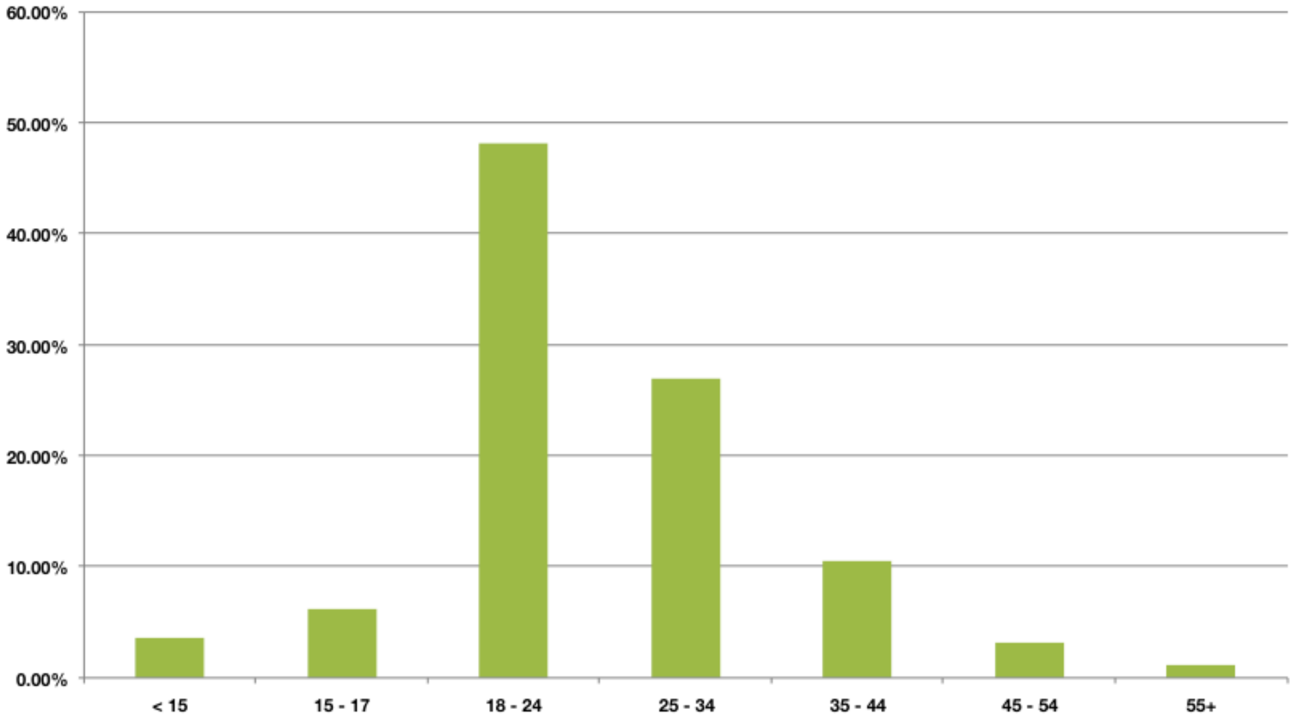
Gender

- The audience that responded to this survey is **27.91% female and 72.09% male.**



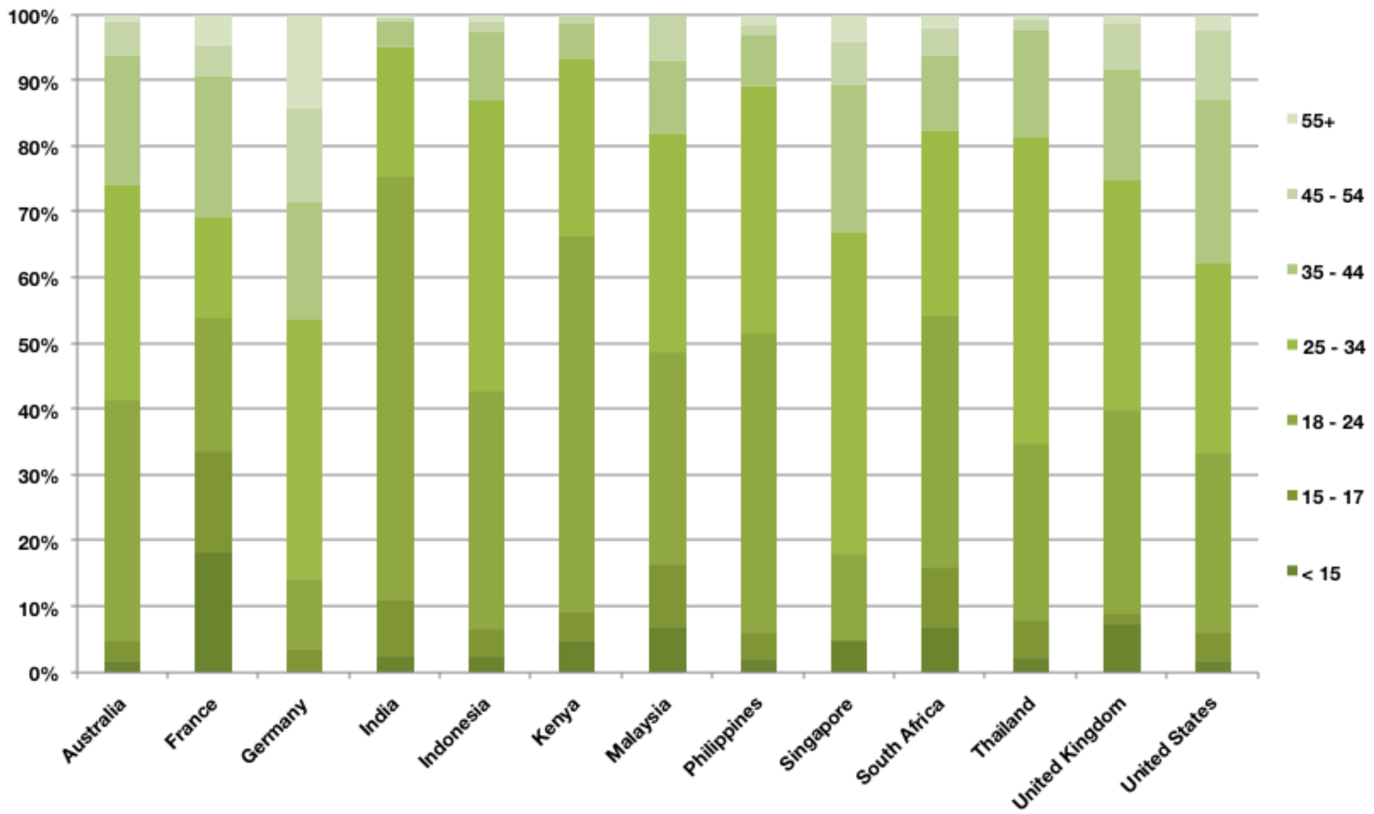
Age

- The **age range of the participants** is broken down below



Age breakdown: Side-by-side country comparison

- The following chart provides a side-by-side view of the ages of participants for each country.



Media Insight:
Mobile gaming metrics

Games and applications are becoming a crucial element of mobile internet marketing, and also of the user experience. These are our key findings on the mobile games and apps environment, as compiled at the start of January.

Key findings

1. Content continues to play a vital role

Mobile gamers are educated almost daily about the benefits and availability of free contents for phone, thus this audience share continues to grow in parallel. Knowing the presence of this hunger for great games, content syndication becomes more and more crucial. With *Vietnam* as an example, there was a **30%** increase in downloads for the whole country since December 2010, and this is primarily brought by an increased presence of Djuzz Catalogue[1] partners in several sectors of the market, such as **Content Providers**, **Game Aggregators** and **Independent Wap Site Operators**.

2. Localised content draws usage

Based from our data, mobile gamers are more susceptible to mobile transactions if they can understand and relate to the content. Fusing **local IPs** (actors, characters, etc), **local medieval themes**, **easy game play** and **localized presentation** (*language*) would be the keys to this huge and exciting mobile market. Some examples of titles that have experienced success are: *Tales of Yang Jian, Tales of Dragon Ball* and *Vampires and Werewolf* which are very popular in **China**; *DevD, Kaminey* and *Atithi Tum Kab Jaoge* which have consistently dominated the **Indian** charts last year; *Qute Cute* and *With* has captured **Thai** gamers' fancy. All of these popular titles provide gamers from different regions a certain affinity, thus increasing chances of downloads and actual game plays to happen.

3. Categories: what types of content do users want?

There are dominant games genres that are popular globally. Specific regions also have particular tastes. As a marketer or developer, it's important to select the genre of games and apps based on the users that you hope to attract. Action & Adventure is currently the number one category globally, and in most regions. Racing, Arcade and 3D games also feature heavily. Depending on the title, the Movies and TV category can rise up the ranks, especially when a game is launched that's based on a big film franchise. A detailed list is available in this report, in the Top 10 section.

[1] http://blog.buzzcity.com/2010/05/djuzz-catalogue.html#more

Overview

1. Djuzz is a free mobile games portal aimed at offering a rich variety of entertainment to the mobile user.
2. Djuzz is designed to deliver games typically built on Java, Symbian, Windows Mobile, Android, Flash and BlackBerry to all feature phones and phone brands. The portal recognises and delivers games for more than 1,900 mobile handsets.
3. Djuzz enjoys the distribution strength of BuzzCity's portfolio of mobile services and in turn offers our partners diversified distribution.
4. This monthly summary tracks the usage of Djuzz through the download of games from the portal. Future reports will include browser based games and other applications deployed via the portal.
5. By extension this and subsequent reports will reflect the development of the free games market in the mobile internet space.
6. This monthly summary also provides insights on consumer appetite for mobile games through the listing of various performance metrics and assists developers in identifying trends and developments in user demand. Besides global trends, this report also presents country snapshots for key markets.

Key statistics

1. By the end of January 2011, Djuzz offered more than **9,000** games spread across **29** categories from **122** mobile game developers and publishers syndicated through **957** catalogue sites.
2. Of the 9,000+ games which are currently live, **5,900** are Java, **1,300** are Symbian, **900** are Android, **800** are for Windows Mobile and **100** are browser-based. This spread allows Djuzz to cater to the ever-growing number of new-generation smart phones as well as traditional feature phone users.
3. Of the 9,000+ games available, **850** are ad-wrapped using BC’s Ad SDK.
4. Many titles added in January are known brands from **Digital Chocolate** such as *Chocolate Shop Fenzy*™, *MMA Pro Fighter*™, and *Snake Revolution*™.
5. Djuzz delivered more than **8.4 million** games for this month alone; observing a **6%** decrease and this is mainly due to decreased marketing. There are **110,000** unique daily visitors on Djuzz (down by **8%** from December) and each one generates at least **4** (consistent for 3 consecutive months) downloads.
6. Djuzz Catalogue, BuzzCity’s free application store solution, is being used globally by mobile operators, game developers and media houses globally. In January, more than **115** catalogues went live. There are **957** live catalogue sites in total.

Top 10 Games Downloaded

1. The following metrics are tracked and will form the basis of monthly comparisons.

Category	Title	Downloads		
Social & Messaging	**RockeTalk**	681,122	Previously in 1st place	Unchanged
Racing	**High Speed 3D: 2nd Edition**	260,205	New Entry	#N/A
Action & Adventure	**God of the Dead Inferi Dii**	142,646	Previously in 5th place	Up 2 places
Racing	**3D Street Racing**	141,069	Previously in 4th place	Unchanged
Racing	**Underground Racer**	139,283	Previously in 3rd place	Down 2 places
Action & Adventure	**The Hero – City of Doom**	127,458	Previously in 6th place	Unchanged
Racing	**3D Need for Drifting**	112,611	Previously in 7th place	Unchanged
Movies & TV	**Tom and Jerry - Mouse Maze**	98,212	New Entry	#N/A
3D Games	**Combat Club**	98,115	New Entry	#N/A
3D Games	**3D Sniper Shot**	94,085	Previously in 8th place	Down 2 places

2. Among the Top 10 for January are seven titles from December (RockeTalk, God of the Dead – Inferi Dii, 3D Street Racing, Underground Racer, The Hero – City of Doom, 3D Need for Drifting, and 3D Sniper Shot).
3. The average growth per title of the top 10 from last month is **9%**. This shows a healthy increase per title with the growth pattern spread across a number of titles instead of being lumped into a few top-performing games.
4. Notable among these titles are:
    a. *High Speed 3D: 2nd Edition* which has taken the second position from its' predecessor *High Speed 3D*
    b. *Tom and Jerry Mouse Maze*, amazes gamers with its' easy game play and witty subtexts, re-emerging to the top charts after a month of cooling down.
    c. *God of the Dead: Inferi Dii* has enticed gamers a lot, taking home a **22%** increase in downloads and taking the 3rd spot
    d. 3D Games are slowly creeping again on the top charts, as 50% of top games are rendered in 3D – *High Speed 3D: 2nd Edition, 3D Street Racing, 3D Need For Drifting, Combat Club* and *3D Sniper Shot.* These may be attributed to phones used by mass mobile gamers are getting more and more capable of complex tasks and calculations.
5. The games noted above are included in the Top 10 list due to the following circumstances:
    a. The top games support a multitude of devices and platforms, ranging from feature phones to next generation smart phones, thus increasing their accessibility to different market segments
    b. Increased partnerships with premier developers and provisioning of known brands
    c. More partners are signing up for the Djuzz Catalogue[2]
    d. Seasonal influences on users (i.e. the Formula 1™ and other racing competitions have begun, leading to an increase in popularity for racing games have started to ramp up in user interest. Same goes with Football as the FIFA™ World Cup™ season continues).

[2] http://blog.buzzcity.com/2010/05/djuzz-catalogue.html#more

6. The Top 10 games accounted for **23%** of the total downloads in January. This implies an even distribution of interest on specific games, content placement and rotation
7. The remaining **77%** were spread over the 9,000+ games available to users, suggesting a broader spread of interest in the variety and quality in games.
8. User preferences for specific types of games are evident. Eight categories dominated the list of downloads for this month:
   a. Action & Adventure (28%),
   b. Racing (17%).
   c. Arcade (13%),
   d. Instant Fun (12%),
   e. 3D Games (11%)
   f. Sports (9%),
   g. Social & Messaging (8%),
   h. Movies & TV (8%),
9. User preferences continue to have geographic variations:
   a. In *Bangladesh*, soccer games take **50%** of the top chart, with **Footballz 2009** taking the lead
   b. In *Thailand*, online games dominate, with the top 2 spots occupied by **Qute Cute** and **MOBile Wars**
   c. In *China*, gamers go crazy for localized games, such as **Tales of Yang Jian**, **Tales of Dragon Ball** and **Vampires and Werewolf.** These games account for 40% of top titles
   d. In *Italy*, casual titles rules and takes **80%** of the top charts.
   e. In *Ukraine*, cards and casino games take the lead with **70%** of the top 10 games, including **Texas Hold 'Em Poker** and **Solitaire**

**Different countries have shown some similarities in user activities due to the major influence of different festivities and events happening between the period of December and January*

Top 10 most active countries

1. While the Djuzz portal received a wide variety of global visitors, the following countries accounted for the highest number of games downloaded in January:

	Country	Downloads
1	India	4,602,019
2	Indonesia	667,895
3	Nigeria	563,875
4	United States	377,839
5	South Africa	213,465
6	Vietnam	195,042
7	China	128,837
8	Thailand	122,647
9	Ghana	101,404
10	Bangladesh	98,572

2. The Top 10 countries accounted for **84%** of the total downloads. *India* contributed **54%** whilst *Indonesia* generated **8%** respectively for game downloads for the month.
3. The decrease of both countries' download share proves the increased user activity on other countries such as *China*, *Vietnam* and *Thailand* having **14%**, **30%** and **10%** increased downloads respectively.
4. Increased activity is evident on *China*, Vietnam and *Thailand*, taking similar positions since December. *Sri Lanka* has dropped outside of the top charts.
5. *Vietnam's* 30% increase proved that there are a lot of gamers and app enthusiasts in this country. This would also be attributed to the increased presence of local Djuzz Catalogue partners such as game aggregator and content provider **iFun** and **UC Web Vietnam**.
6. The increase in download share by *Bangladesh* and *Thailand* (which kept them on the top charts) is brought by the entrance of increased user activity, with each user consistently downloading at least **5** titles per visit respectively since last month, compared to the global average of 4.
7. *Thailand* also proves to be a strong competitor as well due to the push of local operators (**True Move, AIS** and **Hutch**).

Top 10 handsets

	Handset	Downloads
1	Nokia 2690	350,482
2	Nokia 3110 Classic	315,938
3	Nokia 2700 Classic	263,408
4	Nokia 5130 Classic	244,334
5	Samsung GT-C3010	165,373
6	Samsung SGH-E250	153,167
7	Samsung GT-S3310*	132,414
8	Nokia 5233	130,268
9	Nokia N70	129,993
10	Nokia 6300	127,333

1. Nokia continues to top the list of known devices used by a huge margin, with **70%** of the top devices used to download games in January were produced by Nokia.
2. Samsung maintains its' number 2 position in the top list due to relatively high usage in *Venezuela*, *Argentina*, *India*, *United States* and *South Africa.*
3. These handsets run on Java and are viewed on decent-sized screens (176x208 or 240x320).
4. Generic handset's accounted for **1,295,004** or **15%** of total downloads during January.

Top 10 developers

The most popular games on Djuzz were published by the following developers:

	Developer	Downloads
1	HOVR	1,401,879
2	VeMoSoft	1,074,858
3	HeroCraft	830,752
4	RockeTalk	761,031
5	Nazara	681,122
6	YouPark	626,648
7	Playfon	595,244
8	InLogic	562,090
9	IndiaGames	312,577
10	GameInAction	307,144

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