

June 8, 2010



Conversational Advertising Emerges as a \$2.04 Billion Market in Five Years

New Report From mobileSQUARED Illustrates How Message-Based Advertising is Shifting the Way Brands, Marketers and Agencies Approach Mobile Messaging

NEW YORK--(BUSINESS WIRE)-- A new report written by mobileSQUARED and issued today by SinglePoint, the premier mobile messaging advertising network, defines for the first time the market for messaging-based advertising--Conversational Advertising--a market that is expected to grow from \$47.8 Million in 2010 to \$2.04 Billion in 2015 in the U.S.

The report, announced at the mobile marketing industry's premier event, the Mobile Marketing Forum, forecasts that Conversational Advertising will represent 8 percent of total mobile marketing messaging activity in 2010, but will be the dominant model in the marketplace by 2015, commanding 72 percent of revenues for total mobile marketing messaging.

"This report quantifies the effectiveness of message-based advertising and demonstrates its appeal to both brands and consumers," said Gowri Shankar, CEO, SinglePoint. "Those who believe that apps are the optimal way to advertise on mobile should consider the limited reach of the medium. In contrast, text messaging is applicable to all, and our experience with major brands has demonstrated that text is both engaging and creative--even in a rich-media environment."

The report, titled, "Conversational Advertising," defines Conversational Advertising as, "the agreed messaging-based communication between the consumer and a brand to deliver consumer benefits." A study conducted by mobileSQUARED revealed that 50 percent of Americans would welcome Conversational Advertising.

Conversational advertising capitalizes upon the opted-in database developed by the brand to establish an ongoing relationship with the consumer. In doing so, the concept evolves beyond the traditional campaign ideology that has become the cornerstone in advertising.

"Campaigns, by their very nature, represent an occasional touch point with the consumer, and are therefore limited in their ability to encourage the ongoing interaction and engagement with the brands they desire," said Shankar. "As the name suggests, Conversational Advertising introduces a discursive element to what has been, until now, a largely time-restricted engagement opportunity during a campaign."

In the digital age, engagement is critical. Once a consumer has opted in and become engaged, it then becomes counter-intuitive to send an occasional communication. The effectiveness of the opt-in model is to maintain that relationship between the brand and

consumer, measured by Cost Per Engagement. Furthermore, the report educates marketers about the appropriate cadence for Conversational Advertising, and suggests a new paradigm for the opt-in/opt-out dichotomy--the notion that consumers have the option to control when and how frequently they receive communication, and to even have the ability to take a holiday from a brand's messages.

"An engaged consumer represents a higher response rate," observed Nick Lane, analyst, mobileSQUARED and the report's author. "By generating an opt-in database, the likelihood of developing a response from a consumer into a conversation increases dramatically, especially when consumers are able to dictate the terms of engagement with brands. Conversational Advertising addresses the existing messaging practices which are fleeting and largely ineffective beyond the realm of a campaign."

SinglePoint found that 90 percent of text messages are read within three minutes of delivery, and that the recipient eventually reads more than 99 percent of all text messages. By contrast, 80 percent of apps in the App Store are downloaded 10,000 times or less. This means that 80 percent of apps will achieve an iPhone penetration rate of less than 0.1 percent. As app stores become more congested, and discoverability becomes even more of an issue, that percentage can only decrease.

"Messaging as a direct channel to the consumer sidesteps the issue of discoverability altogether, but can play a role in the discoverability of apps," said Shankar. "Not only can it assist a consumer in locating an app, it can remind the user to use the app and inform the consumer of updates. To date the worlds of messaging, Web and apps have yet to converge. Conversational Advertising makes it possible, while always relevant and contextualized to the needs of the consumer."

EDITORS NOTE

The report, titled "Conversational Advertising" is available upon request.

About SinglePoint(TM)

SinglePoint enables brands, agencies and publishers to connect with upwards of 300 million wireless subscribers. SinglePoint's full suite of products and services enables publishers to monetize their mobile messaging traffic and advertisers to access premium inventory to rapidly launch mobile advertising campaigns. SinglePoint works in partnership with entertainment, media companies, brand managers, advertising agencies and mobile networks. Current publisher partners include NBC Universal (Bravo, Oxygen, SyFy, CNBC, MSNBC, Telemundo, USA Network), ABC/Disney, Viacom and CBS Corp. For more information, visit www.singlepoint.com.

Source: SinglePoint