



## Telsyte

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## Opt-in Customer Databases Vital to Mobile Advertising's Long-term Success, finds Telsyte

**Sydney**, 2<sup>nd</sup> February 2009 – Telsyte's latest research into Australia's emerging mobile advertising market reveals that 2008 mobile advertising spend reached \$7 million, a mere one-half of one percent of the total electronic digital media – or online advertising – market. Despite its projected exponential growth, mobile advertising will remain a negligible part of mobile carrier revenues.

Having gone through a five-phase evolution, Australia's mobile advertising is on the verge of entering the "next gen" mobile advertising era characterised by users' opting in to receive highly relevant advertisements based not only on their profiles, but also contextual activities and, more importantly, their locations.

"A major reason holding back advanced deployments of mobile advertising in Australia is the lack of meaningful opt-in user databases on the part of mobile carriers. Those databases are the key to unlocking the true power of mobile advertising and will differentiate future ads from today's non-targeted ones that are sometimes even regarded as spam," said Warren Chaisatien, Telsyte Research Director and Principal Mobile Analyst.

Telsyte finds that Japan leads the world in mobile advertising while the United States and Europe are by and large on par with Australia. The current economic downturn should bode well for mobile advertising as companies become much more cautious in their spending making sure marketing messages get to the right target audience. "The good news is Australian consumers are open to mobile advertising as long as certain conditions are met and that they get something back in return," added Mr. Chaisatien.

As with the delivery of other mobile contents, ecosystems for mobile advertising must be formed. The carrier is in the most powerful position due to its direct relationships with end users, while all players must harness the growth potential driven by mobile content, particularly location-based services and mobile TV.

While mobile advertising monetisation models will continue to evolve, Telsyte suggests simple subsidy for mobile services and/or content will suit the Australian market in the next 12-18 months. In addition, Telsyte believes there is a large market opportunity for the advertising-subsidised handset market, especially the largely untapped entry-level smartphone market.

These research findings are from Telsyte's latest research report titled "**Australian Mobile Advertising Market Assessment, 2008**". This report provides a detailed analysis and assessment of the developments of mobile advertising in Australia, including mobile advertising market sizing and five-year forecast as well as interviews with Australia's leading carriers most active in this space. The report also offers international case studies, Australian consumer preferences, intended adoptions and concerns, as well as discussions on mobile advertising ecosystems and business/monetisation models.

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**About Telsyte**

[Telsyte](#) is an Australian-based market research consultancy specialised in the competitive intelligence of the converged communications market. Telsyte's expertise is centred on the three core competency areas of Carrier & Broadband, Mobile & Wireless and Enterprise Communications. Telsyte provides industry insights through custom research and consulting as well as ongoing research, which includes market reports and online databases. Telsyte is a business unit of Australia's largest independent telecom consulting company, [Gibson Quai-AAS Pty Ltd](#).