

## Pressrelease from Analyst firm Berg Insight:

### **Ad-revenue model to change the mobile industry says Berg Insight**

Gothenburg, Sweden 22 October 2007: A new report from the telecom analyst firm Berg Insight predicts that ad-based revenue models are going to have a profound long-term impact on the development of the mobile industry. “Traditionally, telecom operators have focused their attention on maximising revenues by managing network traffic”, said Johan Fagerberg “Now we have a different breed of players like Google who want to maximise their advertising exposure and revenues by generating as much traffic as possible. This force may prove formidable enough to disrupt the traditional telecom business model by shifting the focus from selling voice minutes to selling advertising space.”

According to the report, the greatest challenge facing providers of mobile advertising is the very low consumption of mobile media. Even though Berg Insight estimates that there are close to 100 million mobile Internet users in Europe and North America, the vast majority of those only access mobile media a few times per month. “For the advertising business model to really work, there must be a massive surge in usage levels. If mobile media is to take 1 percent of the € 230 billion EU and US advertising markets, the existing user base must become exposed to between 3–10 commercial messages every day. The industry has not yet figured out how to achieve this”, concluded Johan Fagerberg.

#### **About Berg Insight**

Berg Insight offers premier business intelligence to the telecom industry. We produce concise reports providing key facts and strategic insights about pivotal developments in our focus areas. Our vision is to be the most valuable source of intelligence for our customers.

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