

SMALL SCREENS, BIG OPPORTUNITY

Survey Reveals Growing Opportunities for Mobile Advertising

SAN FRANCISCO – June 26, 2007 – According to a new survey released today by Ingenio, Inc.®, more than four out of five U.S. adults surveyed (85 percent) currently own a mobile phone¹ compared to only about seven in ten (71 percent) who have a landline or home phone. Of the overwhelming majority of U.S. consumers that own a mobile phone, the study finds that only a minority of mobile phone owners (30 percent) can recall seeing or hearing an advertisement on their mobile phone in the past year. The research, conducted by Harris Interactive®, strongly suggests that a dominant advertising model that caters to a growing demographic of mobile phone users has yet to emerge.

“Mobile advertising is one of the most intriguing business opportunities today,” said Marc Barach, chief marketing officer, Ingenio, Inc. “Advertising on the Internet, especially pay-per-click ads served up with search results, grew to a multibillion dollar industry within a few short years. Though the mobile environment is clearly different from the PC, it presents a similar opportunity for new ad models provided that they are adapted to the specific needs of mobile users.”

The survey was conducted online among 4,123 adults 18 and over in the United States. The research was commissioned by Ingenio, Inc., the pioneer and leading provider of Pay Per Call® advertising, to gather a better understanding of peoples’ attitudes towards, and usage of, their mobile phones.

Mobile Advertising

Nearly two-thirds of mobile phone owners (63 percent) agreed that their phone is very personal to them, and they also expressed preferences regarding the kind of mobile ads they found acceptable. Survey results show that the most favorable response was to sponsored text links that appear as a result of Internet searches (26 percent), confirming the value of returning ads relevant to the consumer’s search query. This was closely followed by audio ads that play instead of ringing when waiting for someone to answer a call (21 percent), or a text message from a company (20 percent) as the type of mobile ads rated at least somewhat acceptable by at least one in five mobile phone owners.

The future for mobile advertising looks promising based on a wide variety of survey findings, including the use of cell phones for more than just making and receiving phone calls. When asked about their current and anticipated cell phone use, about half of mobile phone owners (49 percent) indicated that they are already using their phones for more than just calls, including

¹ For the purposes of this survey, mobile phones are defined as a cell phone and/or smart phone.

sending and receiving text messages (36 percent), and taking, sending and receiving photos (24 percent).

Demographic Usage

Younger adults are significantly more likely than their older counterparts to own a mobile phone than a landline: among adults ages 18-34, 89 percent own a cell phone or smart phone, but only 57 percent have a landline. Additionally, younger mobile phone owners are considerably more likely to use their phones for more than just phone calls (74 percent of adults ages 18-34 versus 20 percent of those ages 55 and up) and men are more likely than women to use their phones to check email, access the Internet for something other than search and download, and find information using a search engine.

The survey also found that over the next three years, more than half of mobile phone owners (57 percent) anticipate using their phones for more than just making and receiving phone calls with younger mobile phone owners more likely than their older counterparts (75 percent of those ages 18-34 versus 33 percent of those ages 55 and up).

Top Mobile Search Categories

Finally, among those who have ever called 411 from their mobile phones, commercial (74 percent) and restaurant (72 percent) phone and address listings are the most frequently sought after types of information. This is inline with Ingenio, Inc. data that "impulse" local searches for restaurants, entertainment services and hotels currently make up two-thirds of Pay Per Call ads served on its mobile network, while the other portion is comprised of "considered" searches such as debt management and real estate. However, parallel to mobile users' stated intent to use their phones for more than just making/receiving calls in the future, mobile searchers have been shown to make more "considered" searches, for financial and real estate services, for example, and Ingenio is seeing steady growth in queries for these categories.

"An inherent difference between the mobile and PC environments is that mobile searchers want to find information and then immediately act on it," said Barach. "The mobile environment lets advertisers reach consumers at the point of decision, and an advertising model that connects the two when intent is at its highest will do for mobile what clicks did for the web."

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About the Survey

This survey was conducted online within the United States by Harris Interactive on behalf of Ingenio, Inc. between March 29 and April 2, 2007 among 4,123 adults (aged 18 and over). Figures for region, age within gender, education, household income and race/ethnicity were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online. With a pure probability sample of 4,123, one could say with a ninety-five percent probability that the overall results would have a sampling error of +/- 2 percentage points. Sampling error for data based on sub-samples may be higher and would vary. However, that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated.

About Ingenio, Inc.

Ingenio, Inc. empowers businesses and individuals to create new revenue opportunities through voice-based e-commerce services. The Ingenio® suite of voice-commerce applications, including Pay Per Call®, Live Advice, and Ether®, are all designed to help the services economy flourish online, and have connected millions of buyers and sellers around the world. Pay Per Call advertising is the industry's first pay-for-performance advertising system that delivers phone leads to businesses via its multi-channel ad network that includes Web and mobile search, online directories, free directory assistance, and more. Live Advice and Ether® applications allow users to earn per call by selling their knowledge and expertise via the Internet. Founded in 1999, Ingenio, Inc. works with top-tier customers and partners including AOL, InfoSpace, Microsoft and many other leading companies. For more information, please visit www.ingenio.com.

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About Harris Interactive

Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides innovative research, insights and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for The Harris Poll, one of the longest running, independent opinion polls and for pioneering online market research methods. The company has built what it believes to be the world's largest panel of survey respondents, the Harris Poll Online. Harris Interactive serves clients worldwide through its United States, Europe and Asia offices, its wholly-owned subsidiaries Novatris in France and MediaTransfer AG in Germany, and through a global network of independent market research firms. More information about Harris Interactive may be obtained at www.harrisinteractive.com.

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