

## Mobile Local Search Discovers a New Path, Part II: mobilePeople

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**Summary:** Recently, we profiled Aloqa and Geodelic, two emerging mobile local search companies that are building products around the concept of local discovery. This is a twist on the traditional local search scenario of pulling in business listings with explicit search queries. The added “discovery” component utilizes the portability and location awareness of the device to also push

content. This is governed by some combination of pre-set preferences and behavioral targeting. A few such models are developing and the conversation would not be complete without discussing mobilePeople. The Copenhagen-based mobile technology company powers mobile search products for media publishers and sees local discovery as a core element to its ongoing strategy.

Copenhagen-based mobilePeople has spent the past seven years forming deals with European local search and directory publishers to power their mobile applications. Its “liquid” platform is the basis for flagship mobile offerings deployed in various markets around the world.

Earlier this year, mobilePeople made its first move to U.S. soil with directory publisher R.H. Donnelley. It powers the publisher’s broad line of “DexKnows” branded mobile products, including an iPhone application, a mobile Web site and a downloadable Java app (see March 25 BIA/Kelsey blog post “A Conversation With Dex: More on the New Mobile App”).

Now the company is evolving to what it calls “mobile discovery 2.0.” The move is consistent with many of the principles outlined in the first installment of this report (published Aug. 12) — building search products that better utilize the realities of the device, such as portability, location awareness, time of day

and size (i.e., minimal finger tapping).

“Relevancy changes dramatically with mobile,” says Nahid Giga, mobilePeople’s vice president sales and business development, Americas. “The mobile device knows so much more about the user and their situation, yet too many publishers fall back to the online approach of asking the consumer ‘what’ and ‘where.’”

### Puddle Jumping

MobilePeople instead discovers content based on preferences users define by creating customized “puddles.” A play on the company’s legacy “liquid” platform, puddles are personalized modules that automatically find results when opened.

A puddle created for restaurants, for example, could include places that have takeout and specialize in dim sum, Mexican or Thai, but not Italian. Puddles can be programmed, stored, shared, social networked and accessed wherever (or whenever) a user happens to be.

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## Customized Restaurant ‘Puddle’

SOURCE: MOBILEPEOPLE (2009)



“The idea is to get off a plane and discover products and services based on the customized needs of that specific user,” Giga says. “We want to get to a point where consumers open the application because of what that personalized puddle will discover for them.”

Aside from a travel scenario, mobile discovery applies to day-to-day activities, especially those that follow habitual behavior. This is underscored by the simple fact that most activity happens within a 25-mile radius and the mobile device can decipher patterns that aide in content delivery.

Regimented activity can meanwhile correlate to buying empowered executives, mothers or other

demographically attractive consumer segments. The idea, says Giga, is to exploit the capabilities of the mobile device to detect patterns and deduce points of intersection with relevant local content.

“It’s 9 a.m. and your device knows that you’re going to work,” says Giga. “It can interface with your calendar to say you have a meeting here, and there is traffic congestion there, and an opportunity to pick up a coffee and a bagel over there.”

### Do Not Disturb

Much of the explanation above repeats the use of the handset as the source of contextual data against which to target content and determine relevance. This is an important point, not only for the mobile device’s technical capabilities (location awareness, personalization, etc.), but also for privacy concerns.

One of the challenges in reaching the goal of robust local discovery engines, as mentioned in the last report, is walking the fine line between pull-based and push-based content without rustling the feathers of privacy advocates.

MobilePeople will attempt to alleviate these concerns by having a great deal of the content and the targeted ad delivery balanced between the device and the back end. This represents a move away from the client server technology of the desktop Web. Instead, the smartphone can manage content locally, filtering data and then querying a central database to pull whatever content is deemed relevant. In other words, the device can share the intelligence with the server.

“Smartphones today have operating systems that manage applications and back-end data,” says Giga. “If your device is searching for information, the filter characteristics can sit on that handset or back-end technology.”

### Publish or Perish

One important question is where the content comes from. You can have the most robust search and discovery

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engine and minimal privacy intrusion, but content integrity will still make or break the product.

MobilePeople's strategy on this front is not to reinvent the wheel, but instead to utilize the many existing sources of local content. The time for this could be right as many local media companies are looking around to find incremental distribution to reach mobile users.

The need for incremental distribution has increased in recent years as many local media industries have seen considerable attrition to their core products — in both usage and ad revenues. One of the benefits of mobile is that it doesn't cannibalize core products to the degree that some media — such as online — have done.

Mobile usage has in fact proved to occur at times and places that are separate (read: incremental) from print, television or online usage. This opens an opportunity

to reach incremental audience, or to reach existing audience in incremental places.

There are also different categories of content that are conducive to mobile — in both search and discovery modes. This signals an opportunity to monetize areas of content that may have underperformed in other media

The charts below and on the following page, provided by Yell (a mobilePeople customer), support some of these points.

## Vertical Challenge

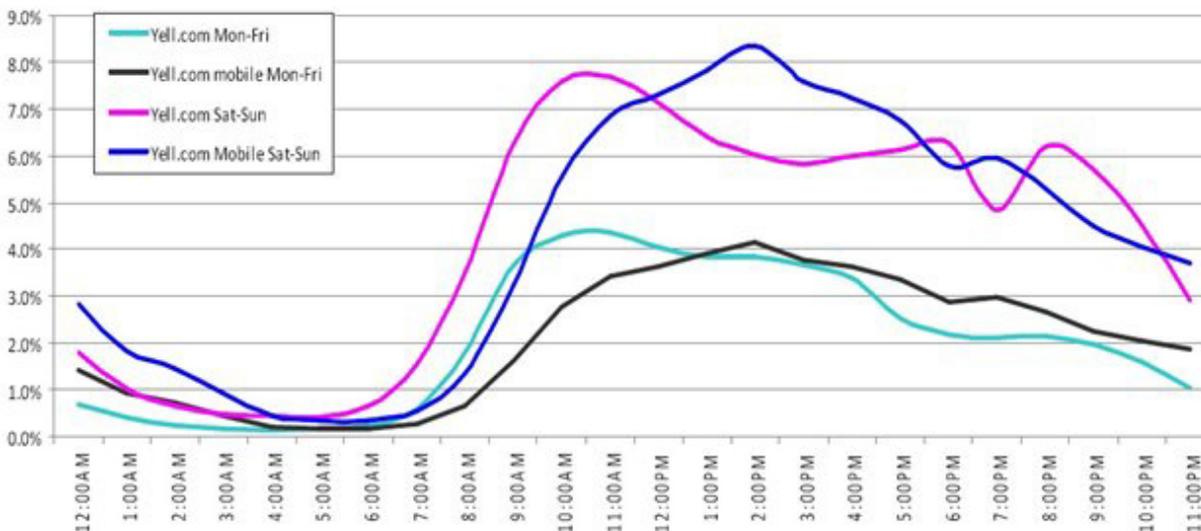
Therein lies the opportunity for local media publishers with existing local content and assets. MobilePeople's proposition is to allow them — like users — to customize puddles based on the nature of their content.

The product model also enables publishers to serve

## Yell.com vs. Yell Mobile Search

SOURCE: YELL (2009)

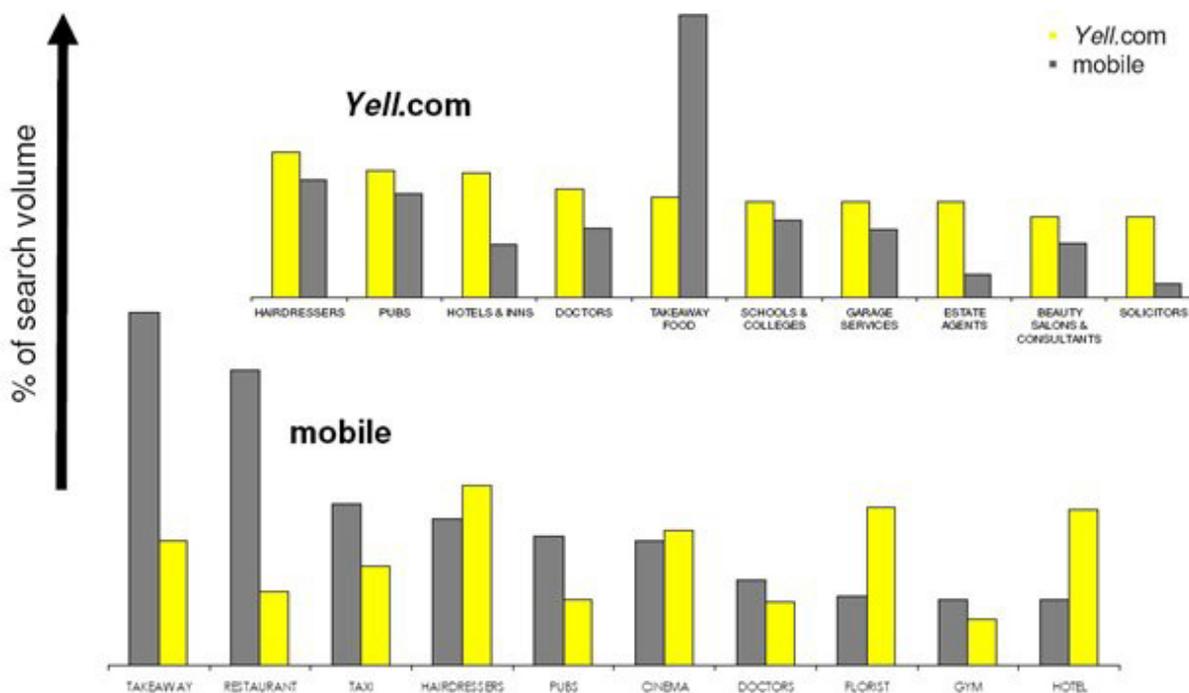
### % Usage By Hour



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## Search Classifications: Top 10 Comparisons

SOURCE: YELL (2009)



content that is more dynamic than in print or even online, which is relevant to any content that is time sensitive. Holiday or event puddles, for example, can be active for a specific period of time.

The mobilePeople product model is a departure from traditional local search as it branches out beyond just listings, reviews and Yellow Pages. Instead, the company positions it as a source of mobile distribution for any source of local or vertical content.

Working with a newspaper or a television station, for example, it could build branded mobile applications around all the local “flavors” that orbit advertising and editorial content. This could include

classifieds, food and wine, real estate, etc.

“The idea is to pull from multiple vantage points — Yellow Pages, newspapers, magazines, TV,” Giga says. “These all have content that is related to you within a 15- to 20-mile radius.”

The overall strategy is to be more of a one-stop shop for the myriad things that can appeal to users throughout their day. This also opens up the application to vertical segmentation, where many local media publishers are naturally oriented.

Such vertical segmentation can include high-value categories like autos, where many content sources orbit (insurance, financing, maintenance, etc.) or real estate

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(schools, parks, pediatricians, etc.). The opportunity runs the gamut of content sources held by print and broadcast media — some of which are core classified categories while others are under-monetized.

## PAC Attack

So far, the product sounds conceptually similar to those profiled in the first installment of this report. Where it differs is the company's strategy to appeal to a triumvirate of publishers, advertisers and consumers. This is what mobilePeople calls its PAC strategy.

Consumer and publisher benefits are discussed above, but the last, and certainly not least, piece of the puzzle is advertisers. Advertising is tied to users (traffic) and to publishers (content and ad sales channels). But once these elements are in place, the discovery format can be attractive to mobile marketers.

Study after study shows favorable mobile engagement and ad performance (clickthrough rates, brand recall, conversions, etc.) over online equivalents. The next evolution of mobile local should have even better ad performance, based on the granular targeting that these products will allow.

Going past the obvious (but important) location and contextual targeting, additional factors will come to define mobile local advertising. These will include time of day, seasonality and the granular business attributes that approximate users' real-life complex preferences.

"Is CPM going to be the only successful model in mobile? Probably not. Is CPC going to be applicable on mobile? Maybe, but not the context that it is today on the Internet," asserts Giga. "It will be more about giving advertisers the tools to be able to target particular demographics at particular times of day or locations that they need to."

The products discussed in our past few reports have elements of push and pull that represent the interplay

of local search and discovery. Those that win the land rush currently under way will balance these in the most publisher-, advertiser- and user-friendly ways. All three are vital.

## Final Thoughts: The Right Path

Over the past few years, the promise of location-based services was often characterized by a now-overused example: walking by a Starbucks and being hit with a mobile coupon for a latte. This is also known as one-to-one marketing.

This scenario has since been disreputed, largely due to the privacy concerns addressed above. Instead the mobile marketing industry has scaled back on a more realistic path that is based more on users opting in for content.

So far this has caused products to mimic the online status quo. In other words, mobile local products have emulated their online search counterparts by requiring the user to specify what they are looking for and where.

This has satisfied privacy concerns to a certain degree but hasn't fully utilized the potential capabilities of the mobile device. These capabilities include, most notably, location awareness and portability — together holding unique potential for dynamic content discovery.

Capabilities aside, user intent varies with mobility. Physical attributes of the hardware also beg for content formats that are different from those optimized for bigger screens, keyboards and "stationary" use cases. These formats are only starting to be seen.

Panning back brings a sense of irony that we're regressing toward the "push" based Starbucks scenario. It's important to note, however, the more evolved and nuanced way this is being done, involving content filtering and pre-set user preferences.

The model will continue to evolve. But for now, a light has been shined on an evolutionary path, down which we'll see many more companies and sources of innovation travel in the coming months. **MLM**