

## Executive Summary

Around the world, newspapers' digital strategies are finding more ways to reach audiences with better, more tailored offerings for each audience member. There is no question mobile, although currently a small slice of the digital pie, will increasingly be a key platform audiences turn to, and newspapers must be there to meet them.

“There is no doubt a future-proof newspaper channel strategy means a strong mobile presence. And the more browsers newspapers receive, the more they will gain in click-throughs and advertising revenue,” states Anders Børde, marketing director for Oslo-based More Mobile Relations in Chapter 4. “Newspapers that have the opportunity to talk to customers (not only distributing content) on so many channels and several times every day are in a unique position to build rich relations with their audiences. I believe newspapers, as well as any other type of company, cannot take the risk of not communicating with customers over the mobile platform. It will simply be expected.”

Indeed, mobile usage on a global scale is

soaring, with some markets reaching saturation. In 2004, there were 1.74 billion mobile subscribers worldwide. That number is expected to reach 3.9 billion by the end of 2009, and 4.9 billion in 2012, according to Portio Research.

Mobile growth is happening in developing parts of the world, where handsets are cheaper than PCs, and online access via mobile is spreading like wildfire, bringing news and information to areas that previously had no connection to the Internet. Meanwhile, in mobile-saturated markets like Japan, where mobile tagging was developed in 2003 and smartphone usage is high, the mobile is relied on as a wallet, to make purchases online and share information in real time through mobile Web sites, as well as for e-mailing, sending SMS messages and voice calls – activities that are also becoming the norm elsewhere.

Although each market around the world has its own variables, they all have one thing in common: each day, the number of people who cannot live without their mobile goes up. This means newspapers not only have more

opportunities to reach audiences, but also to engage them and understand them like never before.

“It encourages users to repeat interaction. It also connects what was previously disconnected, drives specific actions, and embeds into greater context,” said Christopher Billich, senior vice president of research and strategy at Tokyo-based Infinita, Inc., in Chapter 2.

Just as newspapers launched print versions hundreds of years ago, then Web sites in the 1990s, they are now developing a presence on mobile. Publishers agree that, just as when they launched their first Internet sites, growth was slow, and missteps were made along the way to Web 2.0. They also agree there is a future for mobile advertising, and as adoption rates increase, so will revenue opportunities.

“... the mobile advertising market seems to be heading the same way as the standard Web advertising market. It just lags behind by a few years, and it’s tempered by screen size and the functionality of the mobile phone.

Smartphones like the iPhone are showing us what the future of mobile can look like, but not everyone is going to want a big screen, and we will have to wait until some of the functionality available on high-end phones, like location information, and the ability to stream video and audio filter down to the lower-end of the market. We will also need to wait for faster 3G connections, to get out of the cities and into the towns, villages and country before we can start to see video advertising becoming more commonplace on mobiles,” Marcus Austin, mobile product manager for Guardian News & Media in London, told SFN in Chapter 5.

Jo Christian Oterhals, CEO of VG Multimedia AS in Oslo, pointed out in Chapter 5 that mobile is ripe for advertising, as well as other types of revenue.

“We believe eyeballs have the same value, no matter if it's in print, online or on the cell phone,” he said. “But today the revenues from mobile ads aren't big. As always, what's most important is to develop the product itself, drive traffic to it and establish a position. When this is in place, monetizing can start for real. I think that the mobile Internet is just starting up, and frankly the revenues all of us see today is just a drop compared to what will come.

What newspapers should be thinking about is not only mobile ads, but how to use cell phones for micro payment. We do that a lot here, and that's the biggest driver of mobile revenues.”

Another interactive mobile revenue stream seeing growing usage is mobile tagging. This trend, which digitally links a 2-D barcode and mobile device, provides users with complementary information, such as coupons, product details, content in other formats, contests and more.

For example, QR codes are used by McDonald's in Japan to access nutrition information. The fast food chain claims to have 10 million registered users – this amounts to 10 percent of Japan's population.

In Spain, daily newspaper El País launched several campaigns using the 2-D barcode in 2008, one of which was a campaign that gave customers an easy way to access the mobile site – by using their mobiles to scan barcodes in the paper.

In all, monetization strategies for mobile are plentiful, ranging from advertising, to micropayments to barcoding. As newspaper companies face mobile, like they did with the Internet in the past, they are reminded that above all else, as always, content is key.