

Outstanding

With 16 operator deals, Out There Media seems to have something that carriers like. Tim Green spoke to the mobile ad provider's CEO, **Kerstin Trikalitis**, about the key to its appeal...



Kerstin Trikalitis is looking to strengthen the company by setting up six more teams across Europe in early 2010

2009 was the year Out There got noticed. Why was this?

I think most operators are coming round to the idea that they can't be advertising companies. So we go in and give them an end-to-end platform that comprises sales, creative, media planning, buying and the underlying 'Mobucks' technology platform. They don't have to spend time or money licensing a platform or learning how to run it, and they get revenues from day one. It seems to work.

Are advertisers buying in?

We're working with over 150 now, including Nestle, RIM, Coca-Cola and Peugeot. There's a spill over effect once you get past a certain scale. We now have 16 operator deals in 15 countries – and access to over 120 million consumers, many of them exclusive to us. Ultimately, advertisers want reach and if you can

guarantee millions of consumers, then they start to pay attention. And with targeting, the proposition is even stronger.

While advertisers want reach, don't they also want local expertise?

Absolutely, which is why we aim to hire people in every country we enter, because there's no substitute for a team that lives and breathes the inventory at a local level. That's eight teams now, with six more in Q1 2010.

What results do you achieve?

An average of seven to ten per cent click through. This is possible when you have targeted campaigns.

You have this 'end-to-end' policy. But some of the tier one operators have their own sales teams...

This is the number one reason why the market hasn't fully taken off. In a country where every operator has its own sales force or an exclusive partner, it's just too much hassle to deal with multiple partners and advertisers get frustrated and decide not to add mobile. Anyway, operators are struggling with the self-managed model. Only Turkcell has really made it work. We're about to announce a contact win with one of Europe's biggest operators. They had wanted to buy-in a platform and run it in-house. They changed their mind.

Even so, some operators are working this way. Have you anything to offer them?

Well, we have a 'secret sauce' that complements what they do extremely well, but I wouldn't want to expand on that here.

What advertising channels do you use?

Targeted SMS or MMS. They account for around 65 per cent by revenue, and half of the traffic is MMS, which has never taken off with consumers but is perfect for advertising. Of the rest, 20 per cent is operator portal banners,

ringbacks, systems notifications and other channels.

Why does Out There target operators and not publishers?

We took that decision long ago. It's challenging working with operators because of due diligence, quality of service issues and the decision 'circle'. It's our speciality though. And it's worth it because operators are uniquely capable of getting people to opt-in to receive ads. No matter what happens with the mobile web, there are channels like missed call messages, credit statements and so on that are great for advertising and will always be so. That said, we can address the publisher space. AdMob has done a great job and we work with them sometimes on campaigns.

Isn't there a danger that outsourcing goes in cycles? How long before operators think they can make more money without a partner?

I don't see the cycle turning like that in advertising. The money they pay would be swallowed up in costs. The downturn has helped us. Operators are looking at CAPEX and focusing on core strengths. They're outsourcing more. We're in the era of specialisation.

There are big players in your space – Ericsson, Openwave, Amdocs, Converse. Does this concern you?

It's true these companies have operator relationships going back decades. But it turns out that carriers want partners that can bring them money, advertisers and a solid track record. In fact, one of these giant companies recently approached us about sharing resources, so we'll see what happens.

What's the long term future for mobile advertising?

For all our progress, it's still an immature business. Ultimately though, there has to be consolidation in the sector, with three or four major specialists worldwide.