MEF
MOBILE ECOSYSTEM FORUM

MOBILE CONTENT DATA MARKET SIZING

July 2021

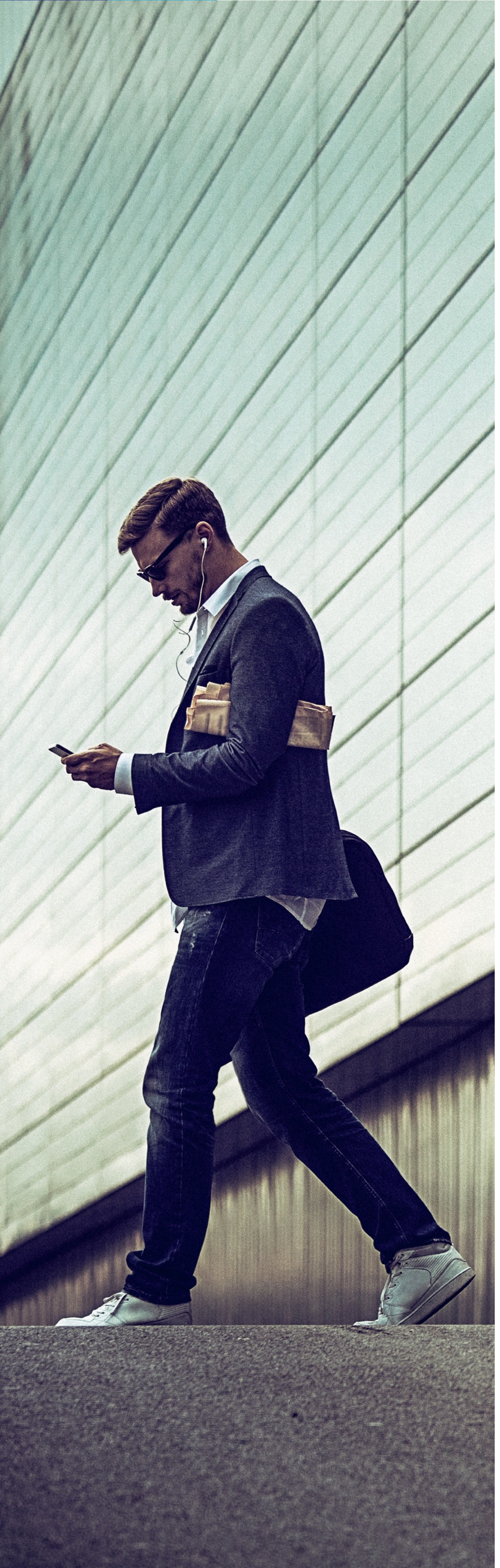
FOREWORD

As a trade association for the mobile industry the Mobile Ecosystem Forum has got a clear job: showing off the potential of this medium. Are we doing it well with the **mobile content market**? I think we could do better. This should be an easy job: anything with **a market value of $120 billion should automatically have clout globally.** Yet, I believe that the success of the app story and the maturity of other mobile content services are not really fully appreciated. This report wants to sparkle a debate. **There is more money in mobile content than the revenues of cinema box office and music recording combined**. Let's start take notice of the real potential of this market.

And there is more we should talk about: **mobile content is not one market, but many**. We should pay attention at the growing types of services and the trends for mobile payment solutions. This report intends to do exactly that, to open the floor to questions and discussions. We want the mobile and media industries to spend more time reviewing this market. We now want the industry to comment and enrich this market sizing exercise we have started here. I should remind **all readers that the most important thing in market sizing is not the number, it is the definitions.. Understanding the growth of education, lifestyle and ePublishing segments, or the different types of payments requires the complex activity of parsing apps and services and technologies..** The industry does not talk the same language, we are offering an opportunity to sit down and check if the words we use mean the same to all of us. Our members are regularly meeting and setting up an agenda, we would like you all to take part.

Join in...

DARIO BETTI
CEO



MEF DATA

THE MOBILE ECOSYSTEM FORUM OFFERS MARKET DATA TO ITS MEMBERS AND TO THE INDUSTRY TO PROMOTE CONSUMER UNDERSTANDING AND ADVANCING OF LONG TERM SUSTAINABLE PRACTICES AND BUSINESS MODELS

MOBILE CONTENT

MOBILE CONTENT IS BIG: in context content is one third of the huge smartphone device sales, but Mobile Content was 3 times larger than Recorded Music and Cinema combined in 2020.

COVID-19 IMPACT A BOOST. 24% year on year increase in content revenue partly boosted by popularity of online content at home during lock-down. Mobile is becoming a main payment mechanism for multiscreen services.

IT IS A GAMES WORLD: Mobile content revenue is dominated by mobile games (69%). In 2020 the weight of mobile games increased by 1 p.p.

APP STORES DOMINATE. Apple's App Stores has grown considerably and thanks to its dominance in rich markets (Japan, USA, Europe) it accounts for the widest part of the market. Surpassing for monetization the more popular Google Play shop.

CREDIT CARD IN VALUE AND BUNDLING GROWTH; while not universal credit card payments are fueling the largest amount of payment value. Of notice, it the strong growth of operator bundling of content.

GEOGRAPHIC: limited changes in geographic distribution: Latin America weaker (in dollars terms). Asia keeps on growing fast.

Mobile Content is Big

Growing with COVID-19

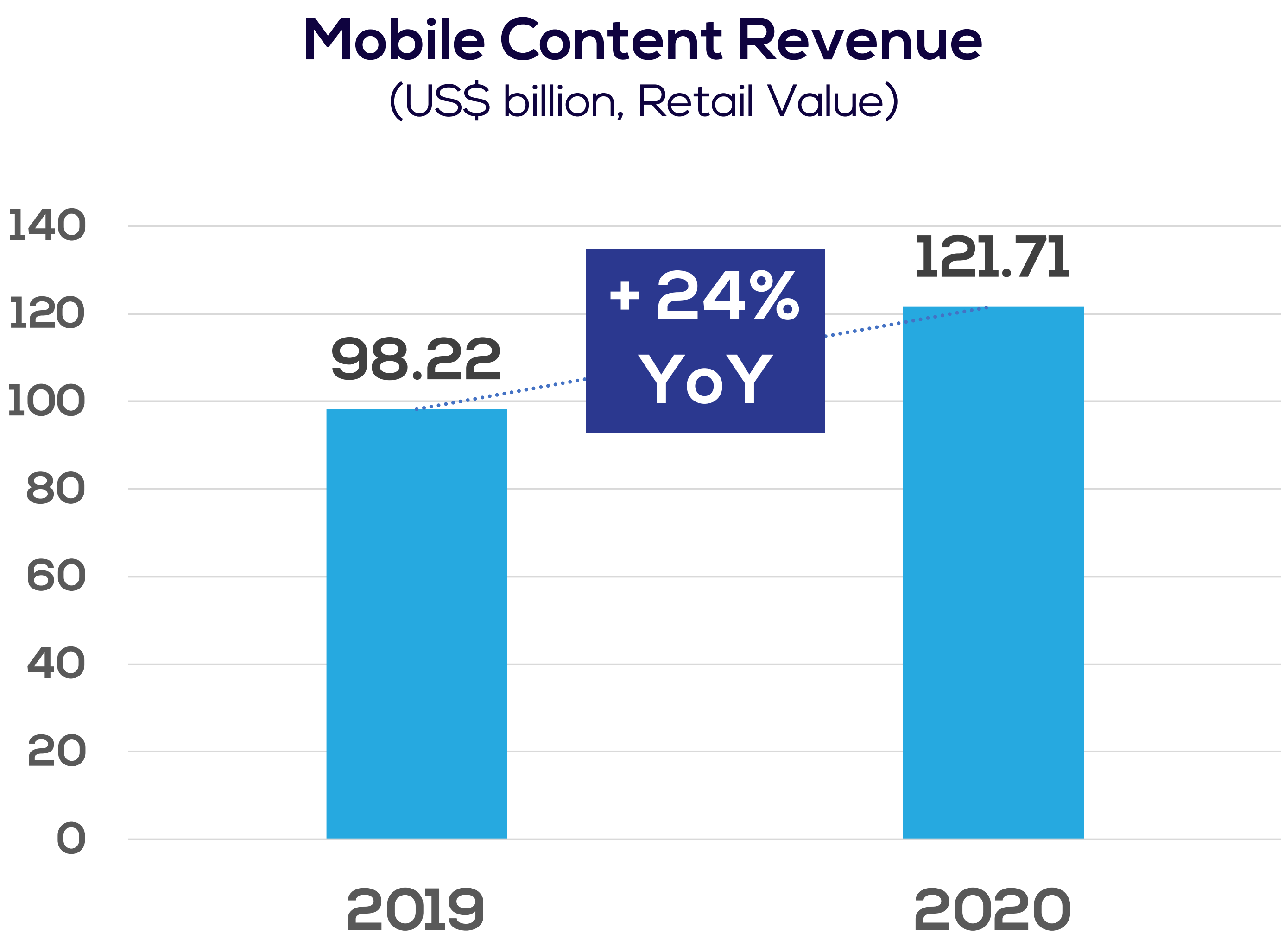
Games dominates

App Stores are Big

Bundles are Growing

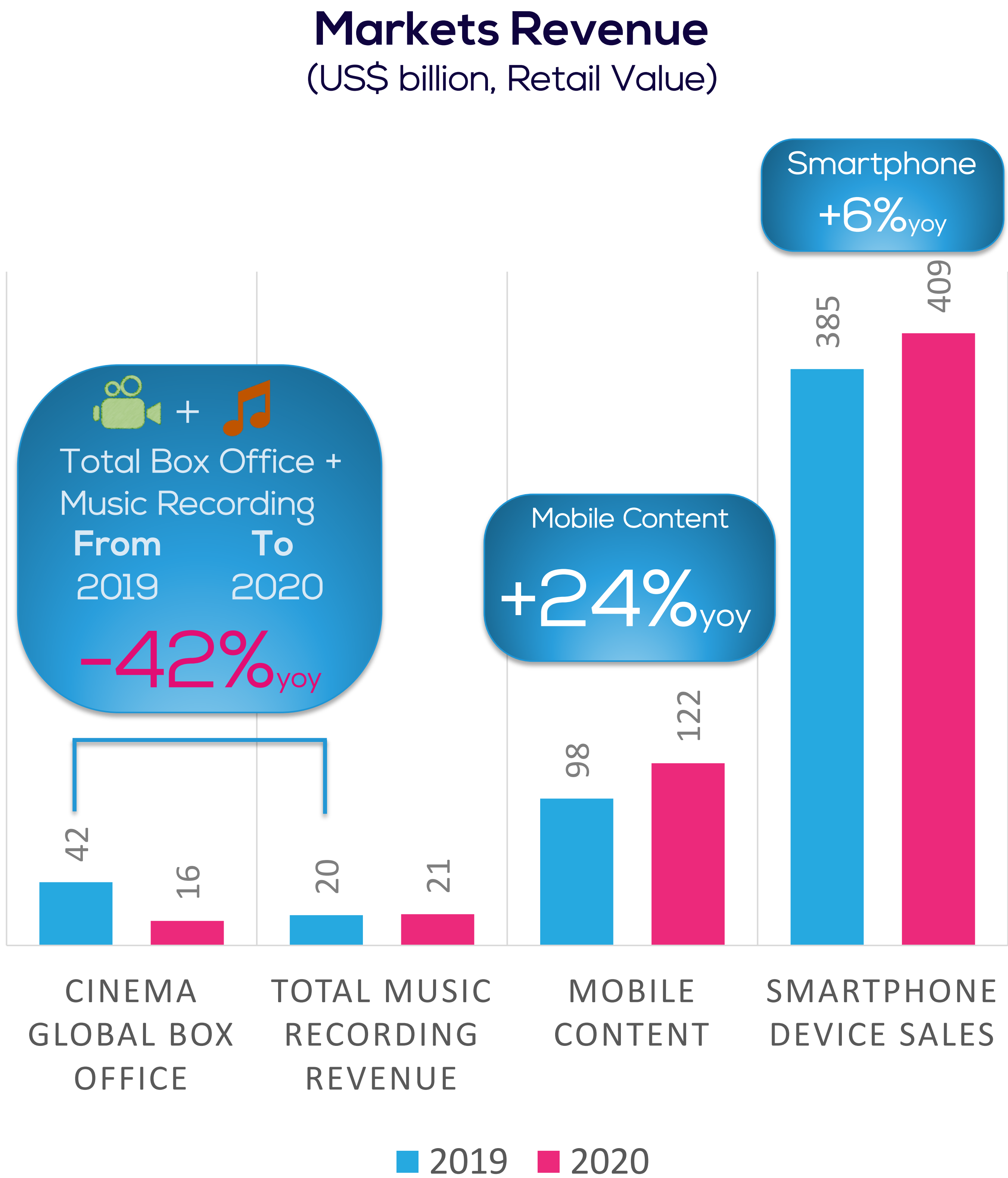
Asia is Growing

HOW BIG IS THE MOBILE CONTENT MARKET ?



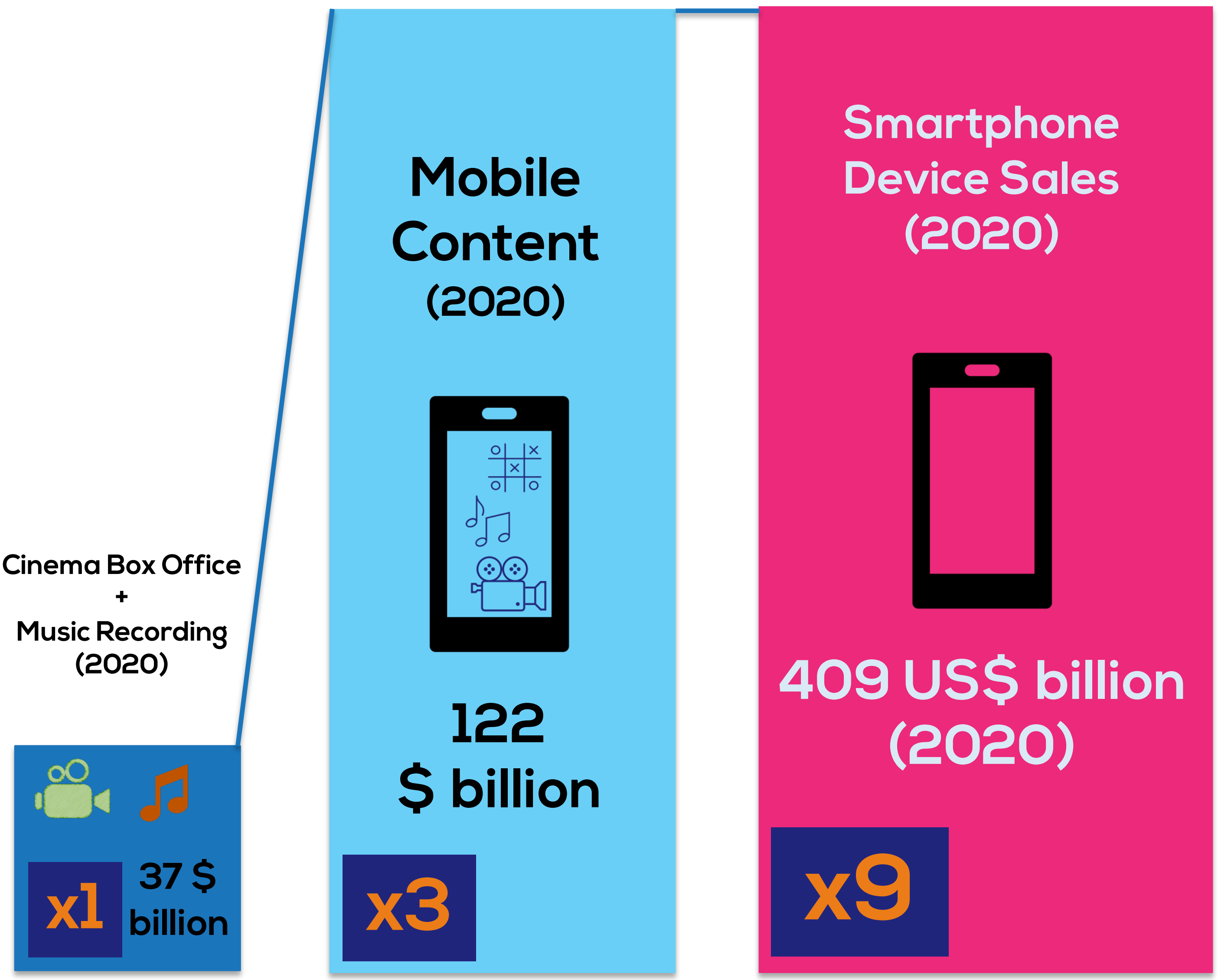
The COVID-19 pandemic was a huge stimulus to reach for more mobile content during 2020. The large majority of the 24 percentage point revenue increase on 2019 is attributed to stay-at-home, reduction of education services and limited entertainment offer during the time

HOW IS THE YEAR ON YEAR (YOY) TREND FOR MOBILE CONTENT IN RESPECT TO OTHER MARKETS?



HOW BIG IS THE MOBILE CONTENT MARKET VS OTHER CONTENT AND MOBILE MARKETS?

Relative market sizing in 2020

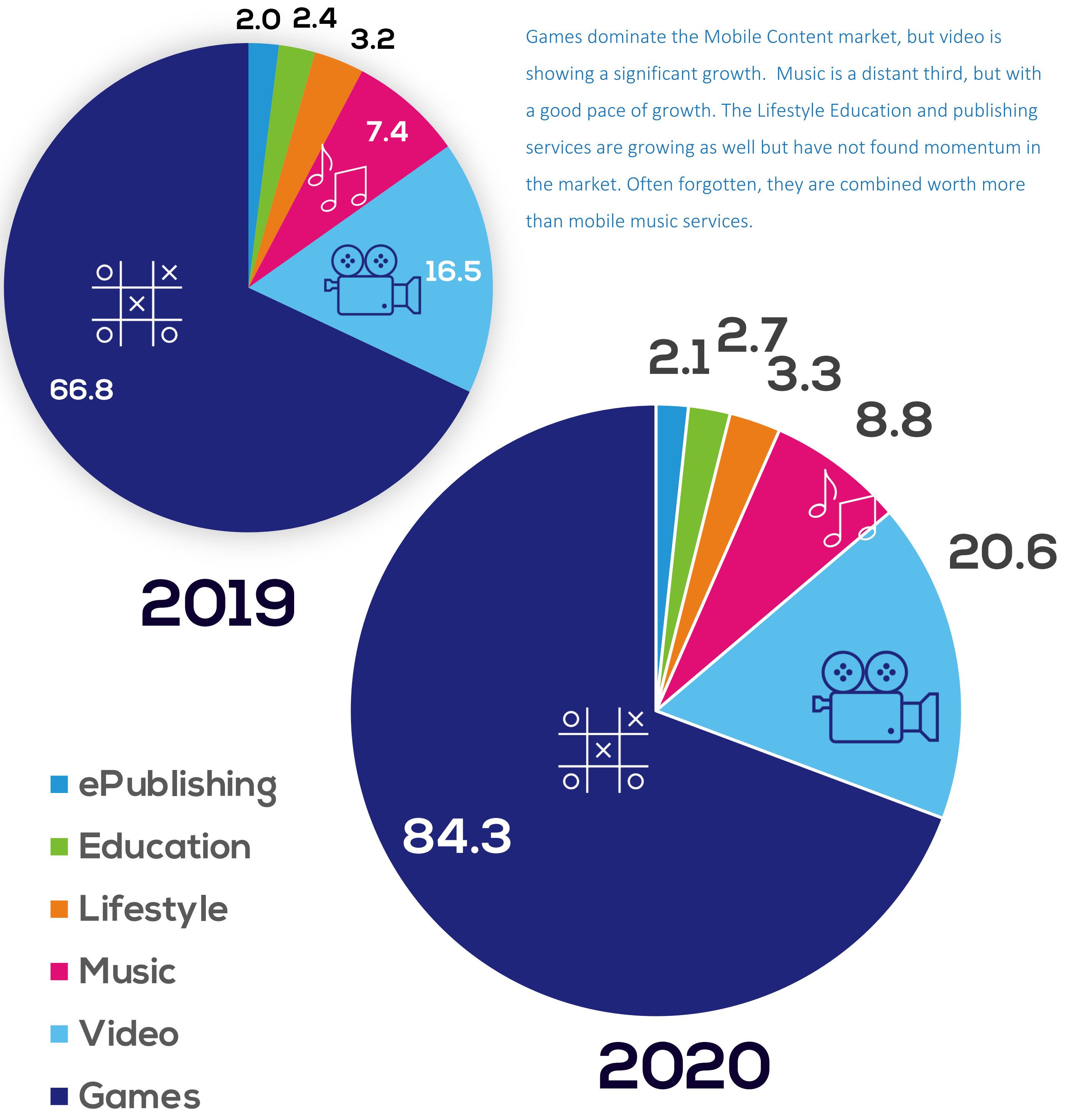


WHAT DO PEOPLE BUY FOR MOBILE CONTENT?

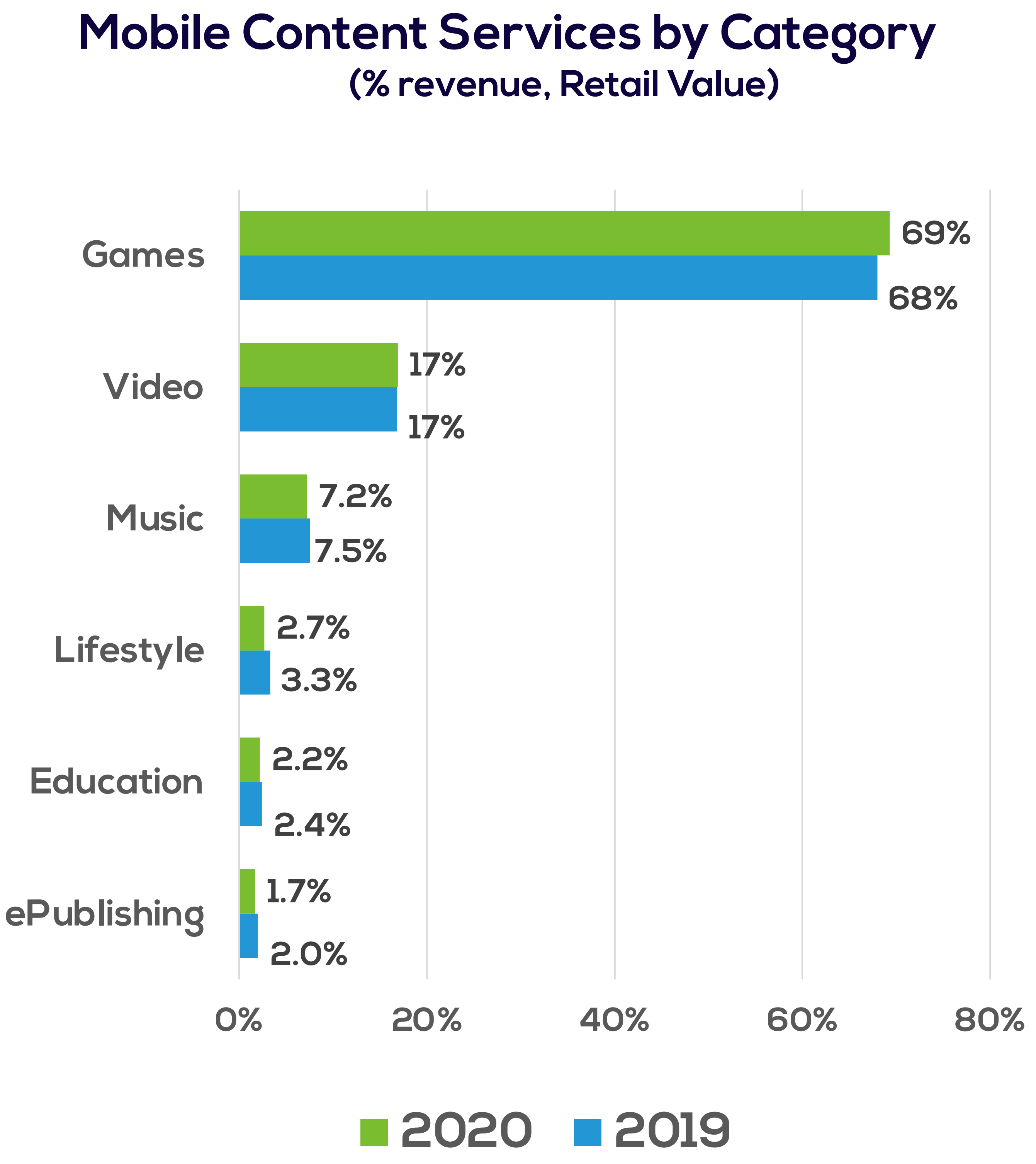
Mobile Content Services by Type

(US$ billion, Retail Value)

Games dominate the Mobile Content market, but video is showing a significant growth. Music is a distant third, but with a good pace of growth. The Lifestyle Education and publishing services are growing as well but have not found momentum in the market. Often forgotten, they are combined worth more than mobile music services.

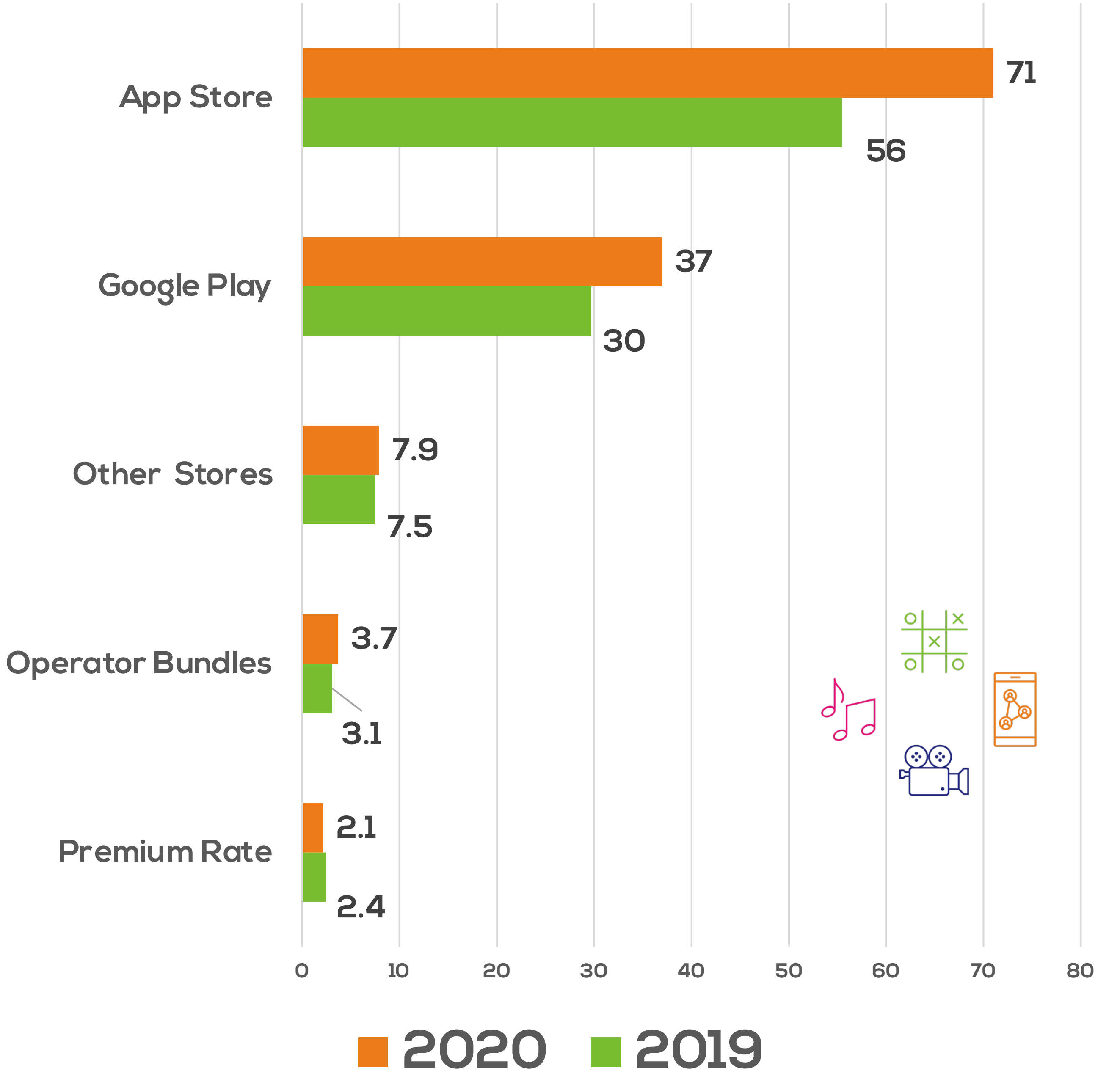


WHAT DO PEOPLE BUY FOR MOBILE CONTENT?



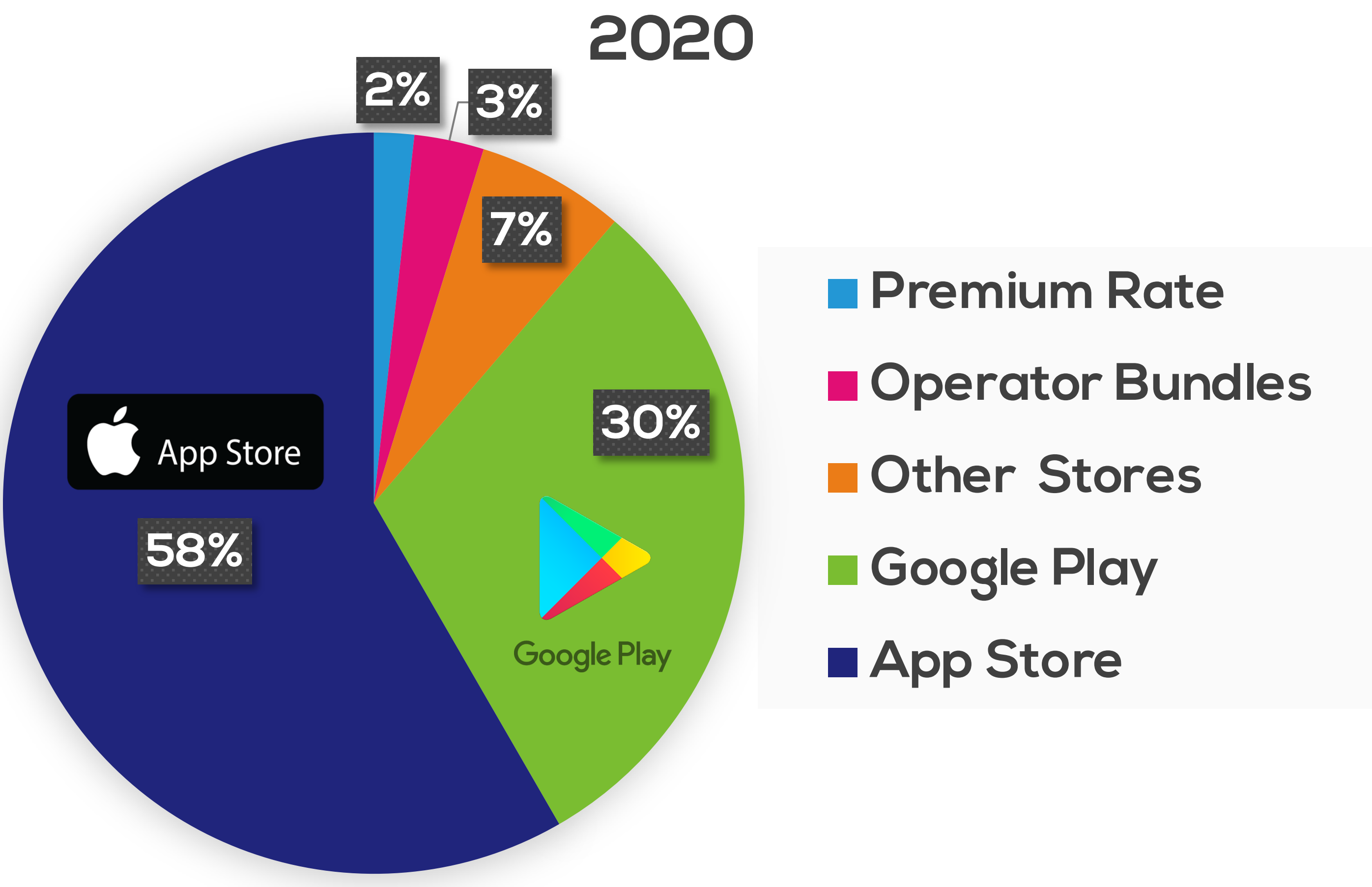
WHERE DO PEOPLE BUY MOBILE CONTENT?

Mobile Services by Store / Activation Point
(US$ billion, Retail Value)



WHERE DO PEOPLE BUY MOBILE CONTENT?

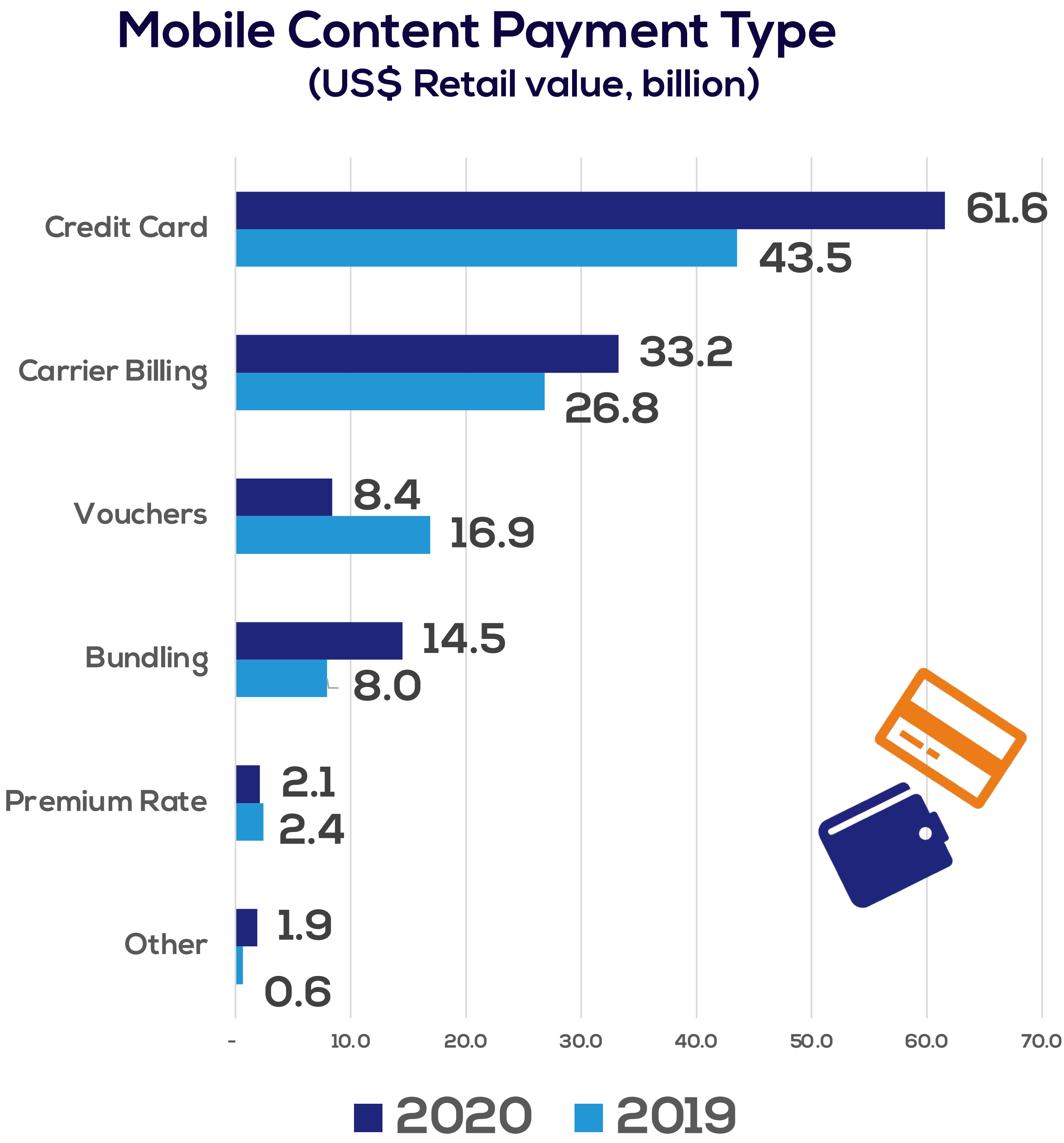
Mobile Content Services by Store
(% revenue, Retail Value)



Apple is dominating the retail value of mobile content, thanks to its mobile subscription services, strong store performance and presence in rich content led market such as the USA, Japan and Europe.

It becomes more difficult to separate services that are multiscreen/multidevice to 'mobile'. The definition used here is around 'activation': where is the content paid for the first time. Content Services will be consumer in multiple modes.

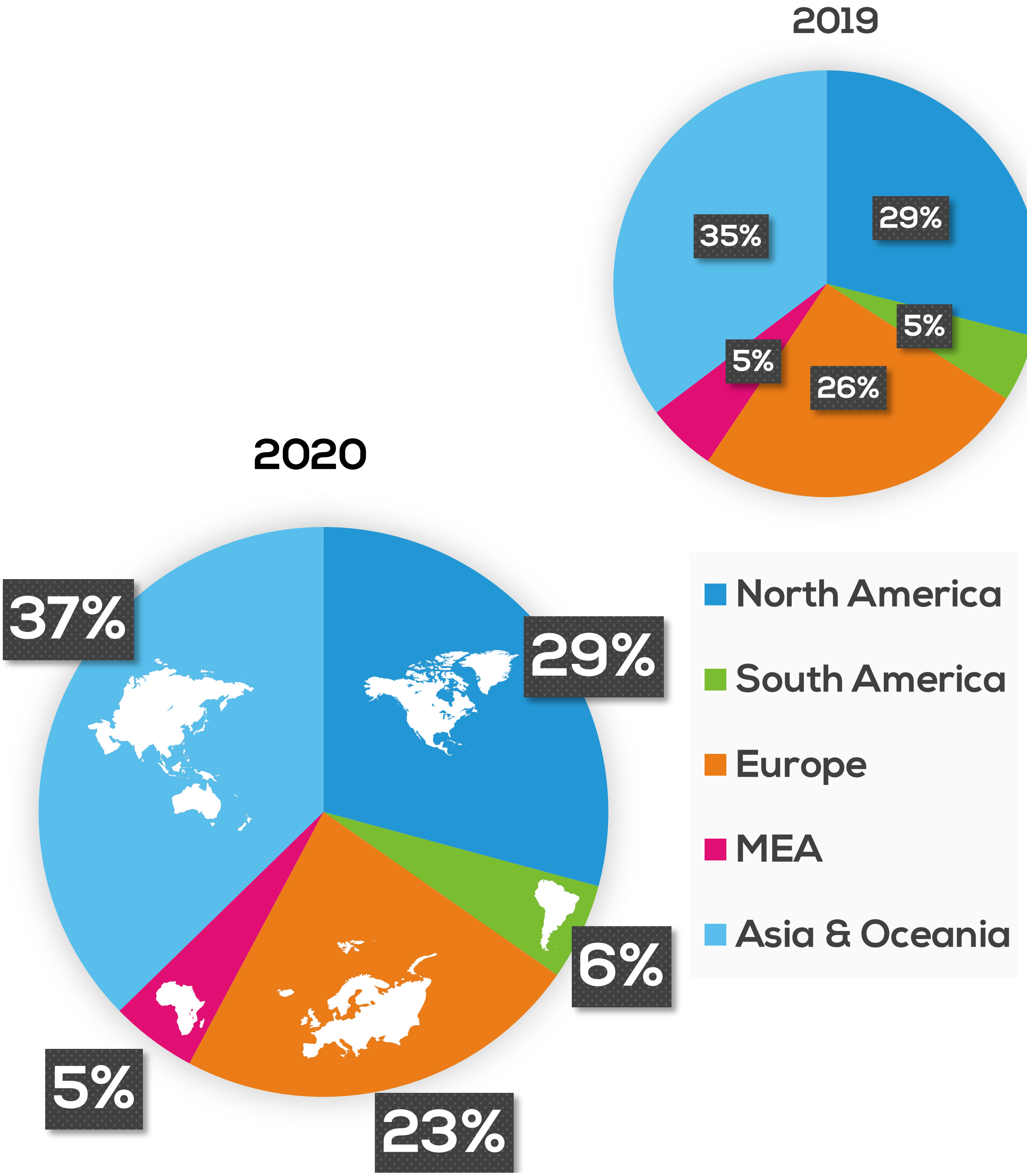
HOW DO PEOPLE BUY MOBILE CONTENT?



A service can be activated in many shops, here we look a the mechanism chosen to settle the payment to the store. Credit Card billing is still driving the market, but carrier billing is showing a good market presence. Vouchers have been penalised during the pandemic. Premium rate is showing sign of maturity (here for premium rate we refer to communication services where connectivity and content premium are charged at the same time)

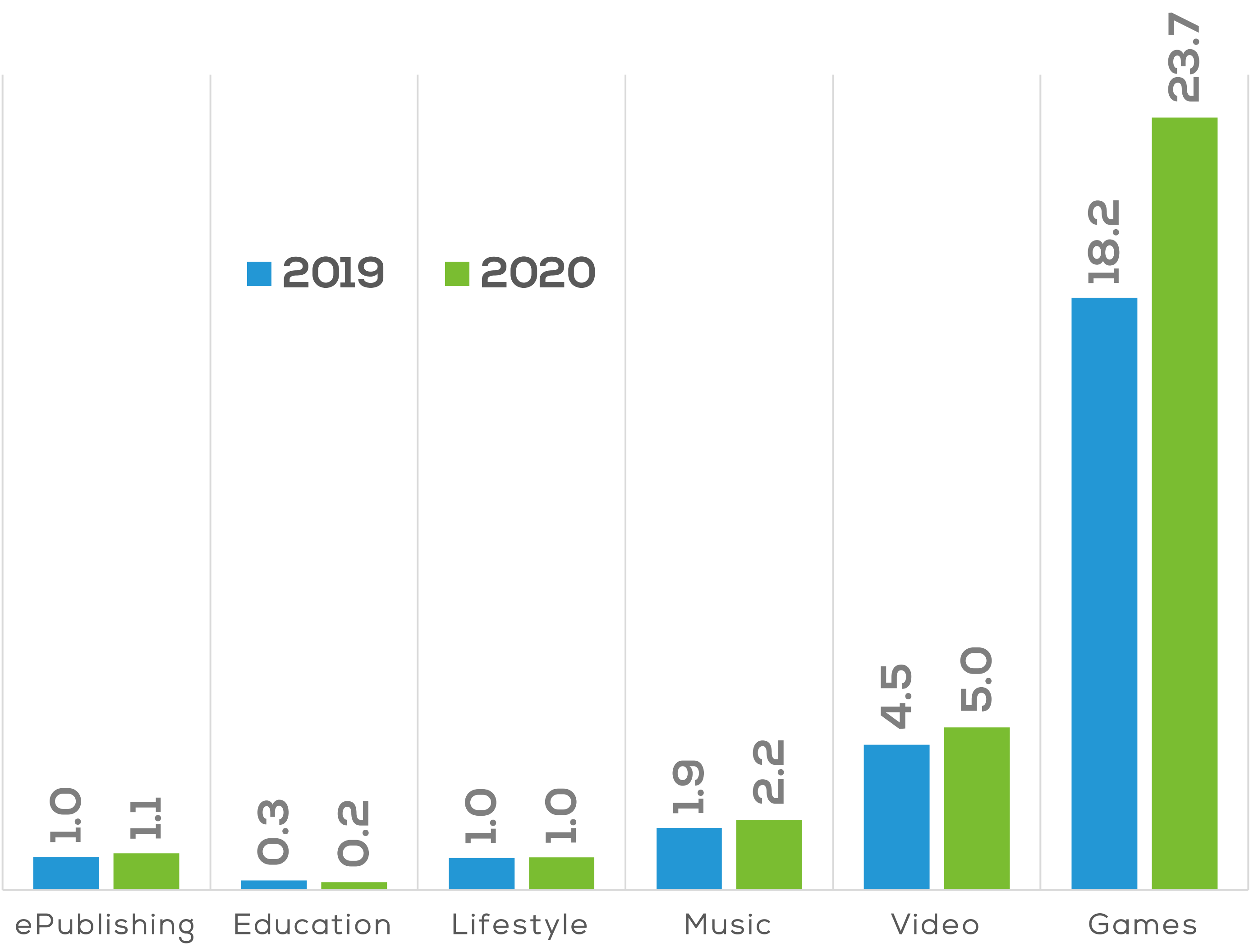
HOW DO PEOPLE BUY MOBILE CONTENT?

Mobile Content By Region
(% Revenue, Retail value)



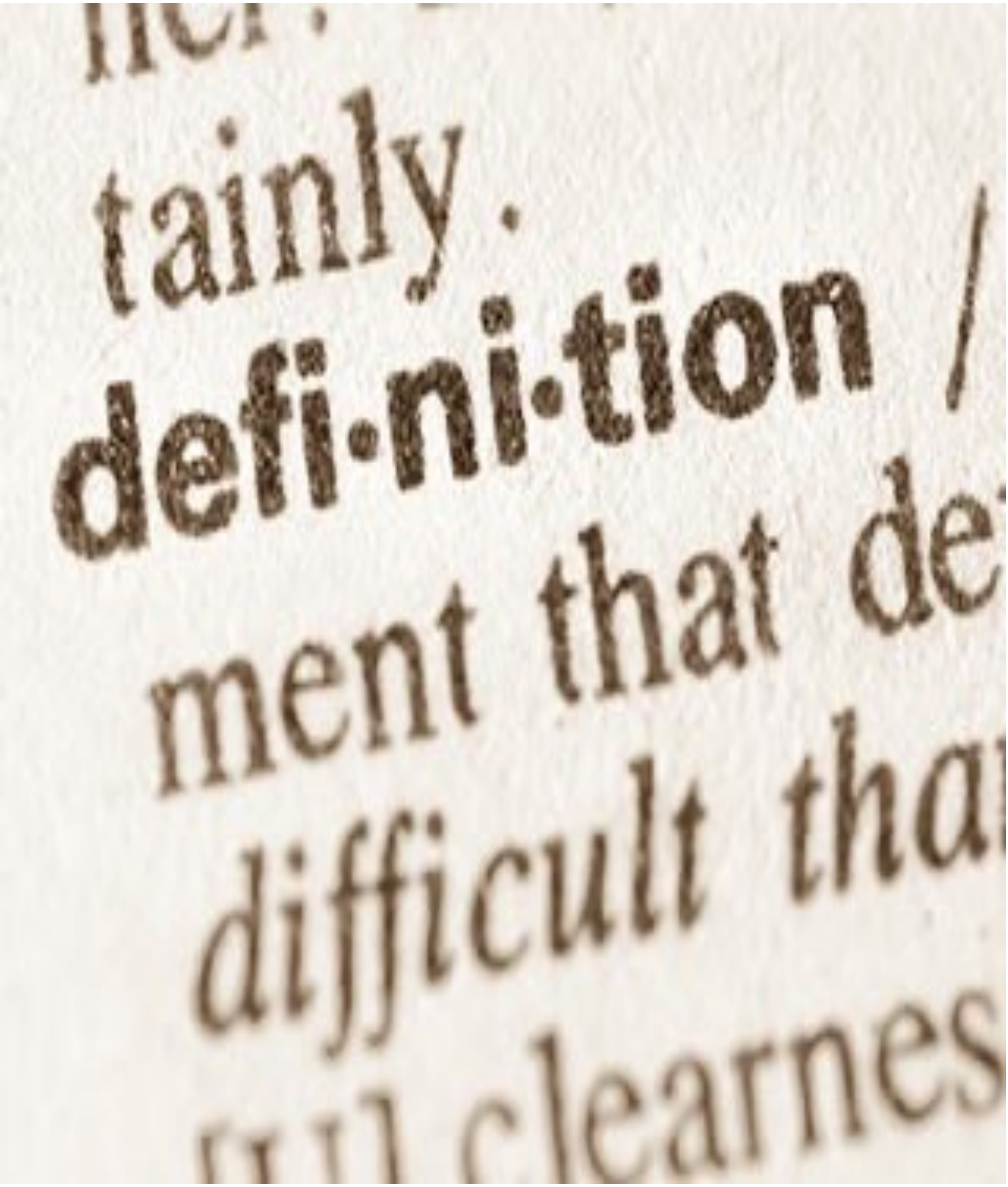
WHAT PEOPLE BUY VIA DIRECT BILLING?

Direct Carrier Billing By Services
(% Billion, Retail Value)



Direct Carrier Services (the direct charging of content services via the billing systems of mobile network operators) has seen an important growth in Games. Lifestyle services, have globally seen no growth in revenues during the pandemic, but new content formats e.g. sport instruction, meditation, health advice have seen a good demand in 2020.

DEFINITIONS



WHAT IS MOBILE CONTENT

Mobile Content services include Value added digital services delivered via a

- These includes games, video, music (including podcast), lifestyle (Health, diet, horoscopes), education (language learning, university study, hobbies,) electronic publications (magazines, newspapers, books),
- Services can offered by mobile operator (MNO, mobile network providers or MVNO, mobile virtual network providers) or third party provider (OTT, over the top providers)
- Services could also be accessed via PC, TV etc, but there should either a mobile payment or mobile usage scenario
- Services can be accessed in multiple ways
    - Via Apple's App Store and Google's Play store. These offer content in multiple forms include one time purchase, subscriptions and
    - Via other Stores, including other device vendor stores, OTT stores and Mobile Network Operators stores
    - Via Mobile Operators bundles – when access to a premium services is included in a network operator subscription fee
    - Premium Rate services- where the services is accessed via phone call or SMS messaging).

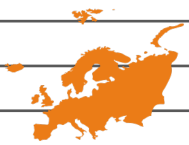
Mobile Content DOES NOT INCLUDE

- Mobile content services does not include FINANCIAL SERVICES such as wallet, ticketing or payment services via mobile bill or pre-paid value.
- Mobile content does not include services that would require specific devices in addition to a smartphone. (e.g. health monitoring, in car multimedia center)
- Mobile Content Services do not include ordering, delivering of commerce of good of non digital goods and services (e.g. a one hour gym coaching session is not a digital service, taxi hailing or m-commerce is not included)
- Mobile Content does NOT include communication services (voice, messaging or data connection)
- Multiplay bundles when payment is managed outside the mobile channel. (e.g. triple of quadruple play for fixed, mobile services). For instance when a users subscribe to a video on demand service via its TV might be granted access to a mobile version of the same – that would not be included here. If it had started or mainly used via mobile it would be counted.

REGIONS DEFINITIONS

6 Regions, 30 Countries

Europe	
1	Germany
2	France
3	UK
4	Italy
5	Spain
6	Netherlands
7	Russia
8	Poland
9	Switzerland
10	Sweden
11	Belgium
12	Norway
	Rest of Europe

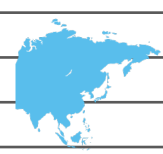


North America	
13	USA
14	Canada
15	Mexico

South America	
16	Brazil
17	Argentina
	Rest of South America

Middle East & Africa	
18	South Africa
19	Turkey
20	Nigeria
21	Saudi Arabia
22	Israel
	Rest of MEA

Asia	
23	China
24	India
25	Japan
26	Indonesia
27	South Korea
28	Thailand
	Rest of Asia



Oceania	
29	Australia
30	New Zeeland

ABOUT THE STUDY

MEF's 7th Annual Smartphone Study was carried out in November and December 2020 . On behalf of MEF, On Device Research surveyed 6,500 smartphone users, 650 in each of 10 markets .

This year the question sets were simplified and some questions added regarding the impact of COVID-19.

Acknowledgements

We'd like to thank the following contributors to this study:

MEF -

Consultant:

ABOUT MEF

Mobile Ecosystem Forum is **a not-for-profit global trade body** that acts as an impartial and authoritative champion for addressing issues affecting the broadening mobile ecosystem. We provide our members with a global and cross-sector platform for networking, collaboration and advancing industry solutions. The goal is to accelerate the growth of a sustainable mobile ecosystem that delivers trusted services worldwide. Established in 2000 and headquartered in the UK, MEF's members are active across Africa, Asia, Europe, Middle East, North and Latin America.

MEF provides a community that offers **Insight** (reports, surveys, market guidance); **Interaction** (events, networking, visibility) and **Impact** (advocacy, code of conducts, industry initiatives).

To join the MEF communities please email info info@mobileecosystemforum.com.

Contact Sam if you'd like to contribute an article.

If you would like to explore the range of MEF Member sponsorship opportunities available at any MEF Connects then please contact Susan.

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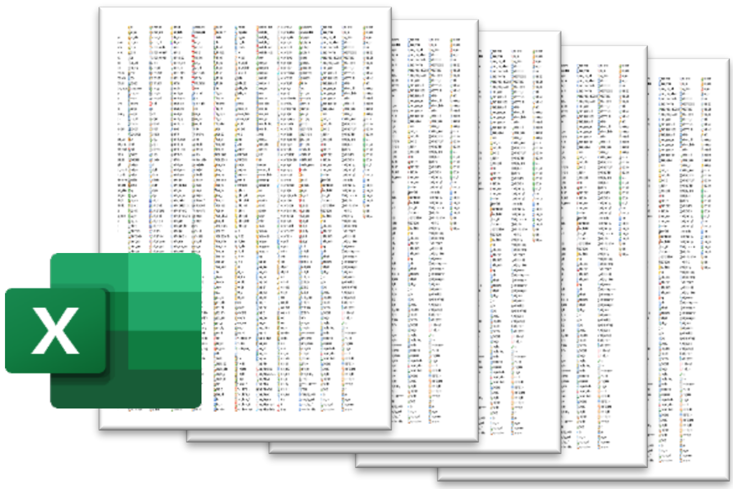
Full survey data sets are available for downloading



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