



Is mobile search merchandizing the next big thing?

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Let's just say that MCN (Mobile Content Networks), which pursues this novel approach to mobile search and paid search advertising, is getting surprising traction with its solution since it went global in September. Proof is today's deal with Avea, a mobile operator in Turkey with some 11 million subscribers.

As I recount in my own analysis on MsearchGroove (MSG), Avea is the first in a string of deals that will peg the needle. MCN is traditionally strong in Japan, where it has launched mobile search and what it calls "mobile search merchandizing" with eight major off-portal sites. But 2008 was the year that it shifted its focus to markets outside of Japan, and effectively tripled its number of distribution partners.

To date MCN's roster of mobile operators and service providers includes Tele2 in Sweden, Smart Communications in the Philippines and BuzzCity, a global mobile social network that implemented MCN in Thailand. And the company tells me there is more in the pipeline – including several Tier-1 (!) operators that have signed but not yet formally announced their partnership with MCN.

In synch with MCN's significant announcement bnetTV has the inside track, straight from the source.

During CTIA Wireless I caught up with Marc Bookman, MCN CEO, to discuss the company's unique approach to search and search advertising, and identify growth opportunities moving forward. (On a personal note, MCN is not only the feature video at bnetTV this week. I'm proud to feature it on MSG, where it tops the bill in the video jukebox bnetTV specially designed to showcase industry movers and shakers in mobile search, mobile advertising and social media.)

By way of background, MCN's approach to what it calls "mobile search merchandizing" combines MCN's federated search (delivered via MobileSearch.net, MCN's white-label search platform) and vertical paid search (delivered through allwords, MCN's own PPC mobile content promotion program).

In a nutshell, MCN has harnessed federated search to create a real-time approach to content merchandizing that Marc tells me "brings down the walls" between content companies and their customers, allowing content companies – and the mobile operators who count on off-portal providers

to generate a new and significant revenue stream – to chalk up more sales and more satisfied users.

MCN's Federated Mobile Search Merchandizing has two components. A white-label managed solution that super-charges federated search by connecting in real-time with the content database belonging to the individual content provider to give prime placement in the search results to the newest, freshest and most relevant content. And - since more and better content means more search advertising inventory – a mobile content promotion program called allwords, that allows content providers and advertisers to purchase all the keywords in a particular category - such as music, games or shopping – eliminating costly and complex keyword bidding and campaign management.

Federated Mobile Search Merchandizing is more than a novel concept; it sits at the core of a hard-nosed business model that yields astounding results. In the case of Yahoo! Japan, where the solution has been implemented to power the company's multi-category Digital Content Search services and promote the content offered by dozens of partner content providers, allwords drives click- thru rates of between 20 to 30 percent.

The buzz may be around mobile search and paid search, but Marc shared a few stats that make me wonder if the real prize isn't mobile commerce and content purchases inspired by relevant mobile search results. In his view, Japan shows the way, and the growth trajectory speaks volumes.

Mobile advertising has reached about \$600 million, and revenues will top \$1 billion soon. But that's not much if you consider that mobile commerce revenues are already \$3-\$4 billion. "Japan is an indication of where this is all going because the mobile phone really is a transaction tool. It's something that will help people shop, buy tickets, keep track of things and do banking."

Is the real value of mobile search to drive customers to content and not just text ads and banners? The jury is out on this one. But if that is where Mobile Search 3.0 is leading the market, then MCN will be among the companies that leads the pack.