

# Mobile Internet Development in China

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Internet Research, Insight Research

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1. About iResearch Consulting Group
2. Evolution of Mobile Internet
3. Development of Mobile Internet Market
4. China Mobile Internet Usage & Demographics
5. Application of Mobile Internet



# Who We Are?

- iResearch is established in Shanghai in 2002.
- With offices in both Shanghai and Beijing, iResearch has about 110 employees.
- iResearch is the first company that focused on Internet economy in China.
- iResearch focuses on online advertising, online service, search engine, digital recreation, e-business, mobile internet and mobile value-added service, etc.



# What We Do?



Research and Consulting:  
iResearch Inc.



Industry  
Consulting

Customized  
Research

Data and info:  
iResearch Data+



Ad Research

User Behavior

Media and Events  
iResearch.cn & Conferences



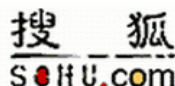
Website  
Advertising

Industry  
Events

# iResearch Clients Define the Internet Ecosystem

iResearch has hundreds of clients from various fields

## Internet Enterprises



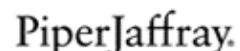
## Traditional Enterprises



## Advertising Agencies



## Investment related



## IT Enterprises

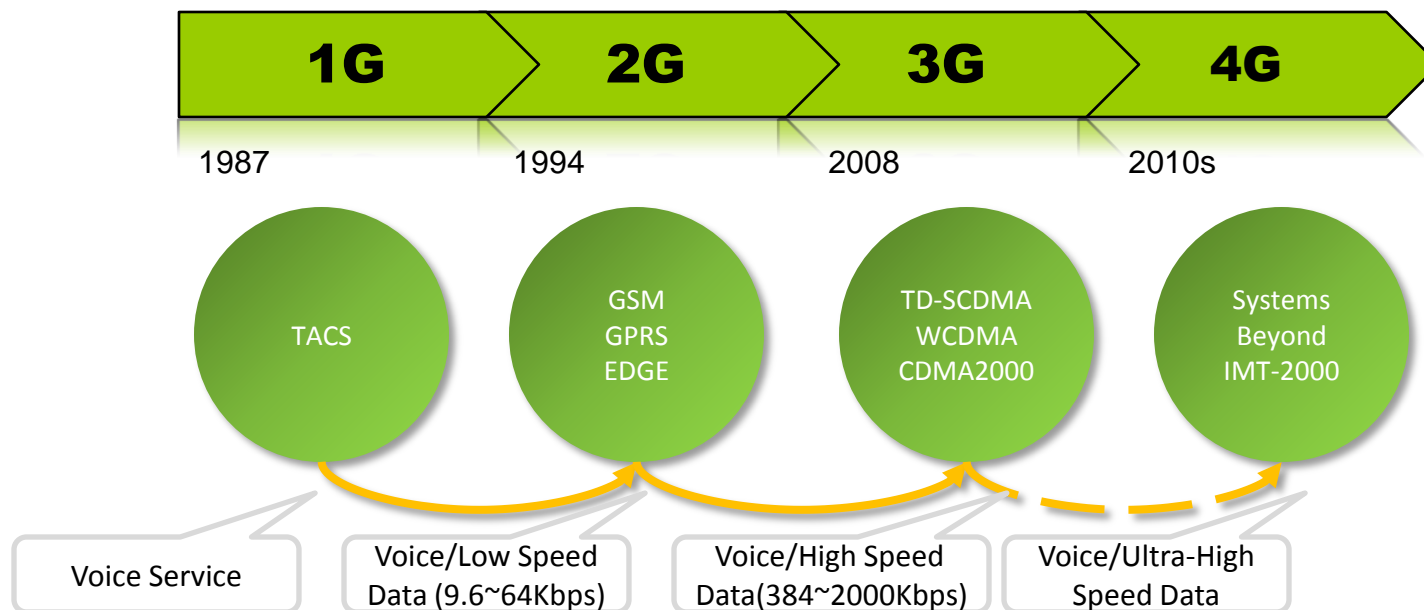


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# Evolution of Cellular Standards

## The Evolution of Cellular Standards in China



## The Cellular Standards Supported by the Major Vendors in China



Vendor	Cellular Voice	Cellular Data	High Speed Data
China Mobile	GSM	GPRS/EDGE	TD-SCDMA
China Unicom	GSM	GPRS	WCDMA
China Telecom	CDMA	CDMA2000 1X	CDMA2000 EV-DO



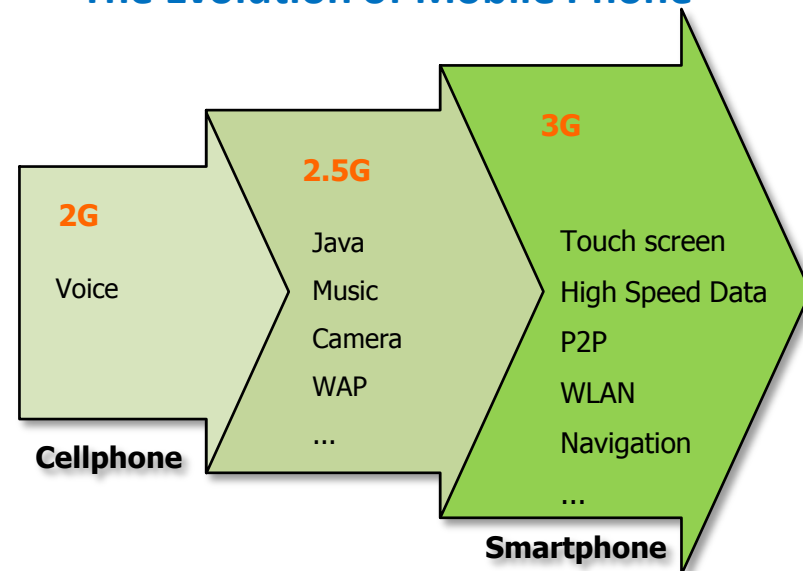
# Mobile Terminal Trend: Smartphone



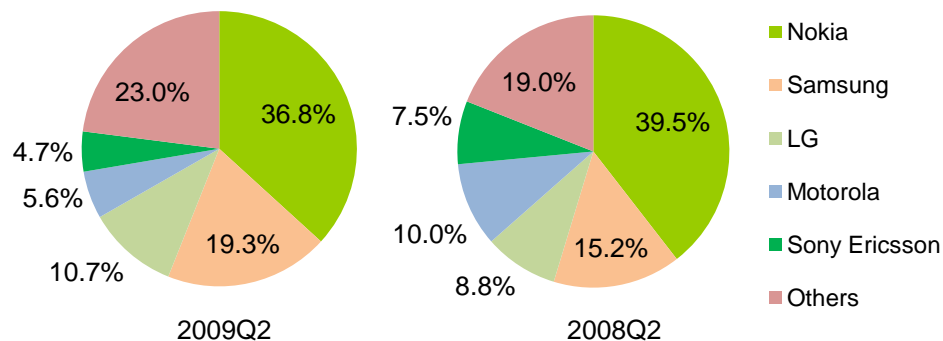
Mobile Phone:  
An Active Node of Internet



## The Evolution of Mobile Phone

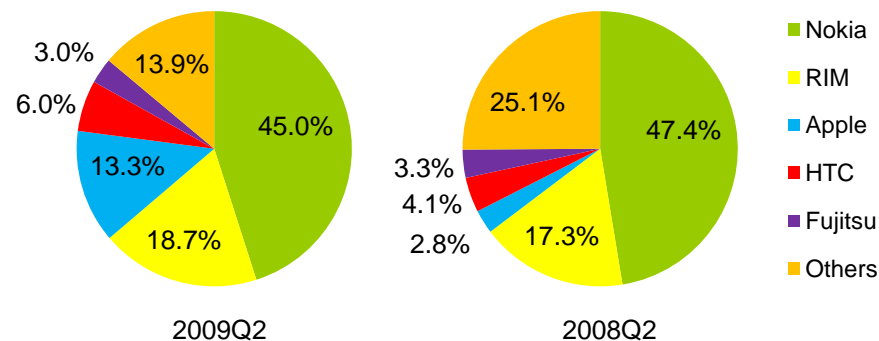


## Worldwide Mobile Terminal Market Share



Source: Gartner, 2009/08

## Worldwide Smartphone Market Share





# Rich Mobile Internet Service

## Personal Service

Personalization of Mobile Internet Services



## Business and Life Service

Mobile Commerce / Payment / LBS / Security / Auction ...



## Information and Content Service

Internet Access / Search Engine / Navigation / Video / Music / Gaming / Comic / TV ...



## Communication

SMS / MMS / Push to Talk / E-Mail / IM / Videophone ...



GSM / CDMA / GPRS/EDGE / TD-SCDMA / WCDMA / CDMA2000 EV-DO/ 3G LTE/ 4G



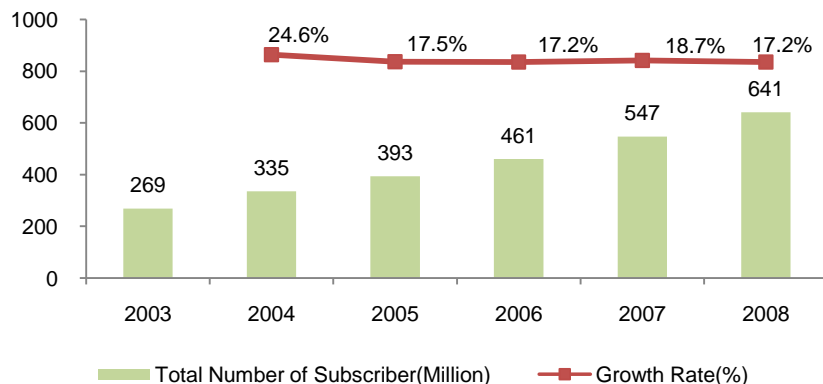
Evolution of Mobile Terminal and Network

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# The Mobile Internet Market Opportunity

2003-2012 China Mobile Telecommunications Market Trend and Forecast



Source: MIIT

China Ministry of Industry and Information Technology(MIIT) issued on January, 2009, 3G licenses for China Mobile, China Unicom and China Telecom.

China Mobile Operator 3G Brand



China Mobile

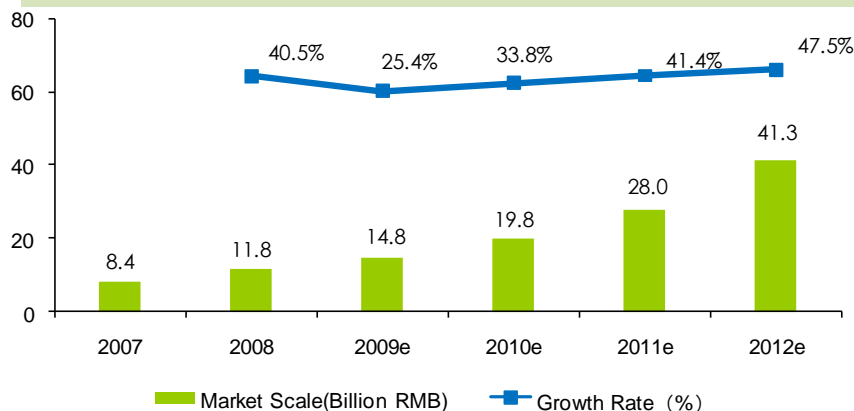


China Unicom



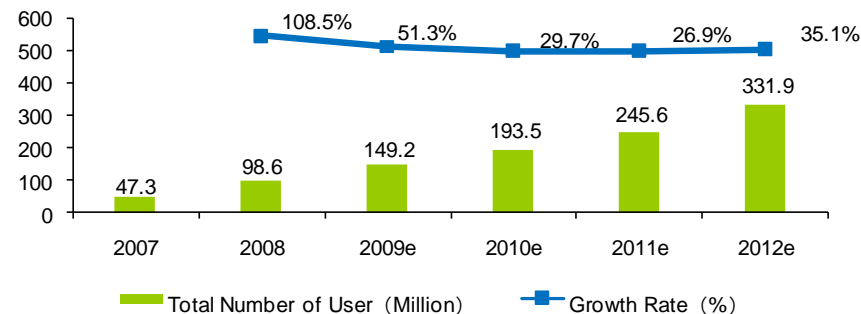
China Telecom

2007-2012 China Mobile Internet Market Scale Trend and Forecast

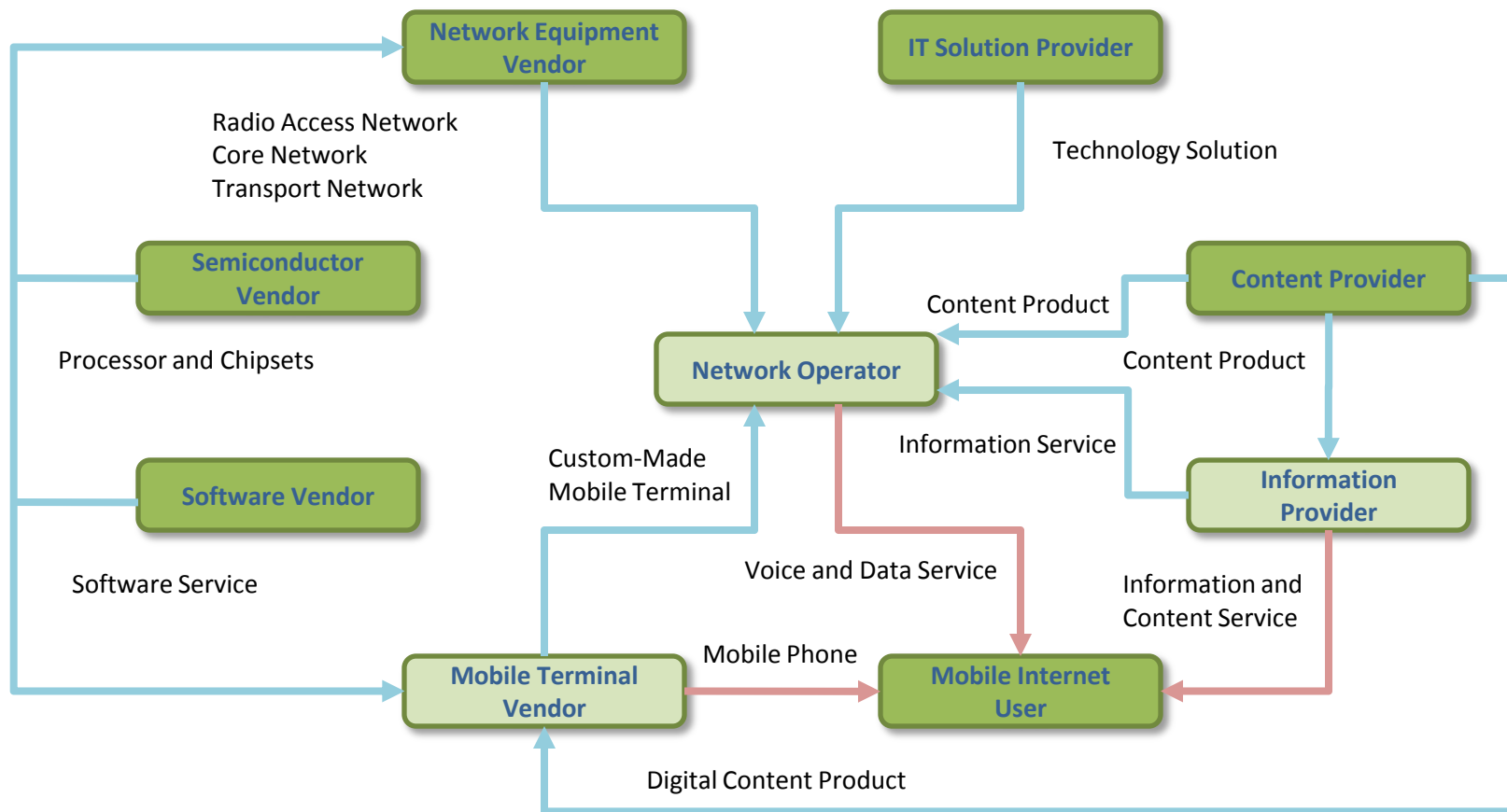


Source: iResearch

2007-2012 China Mobile Internet User Market Trend and Forecast



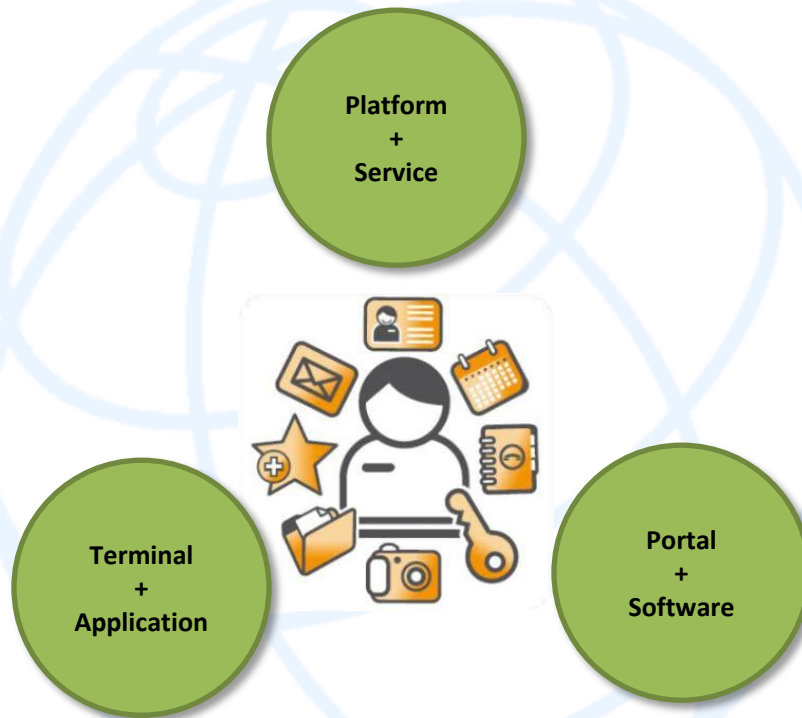
# The Mobile Internet Value-Chain



# The Mobile Internet Business Models

## Network Operator

Value-Chain Control



## Mobile Terminal Vendor

Integrated Solutions for  
Full Service on-Demand

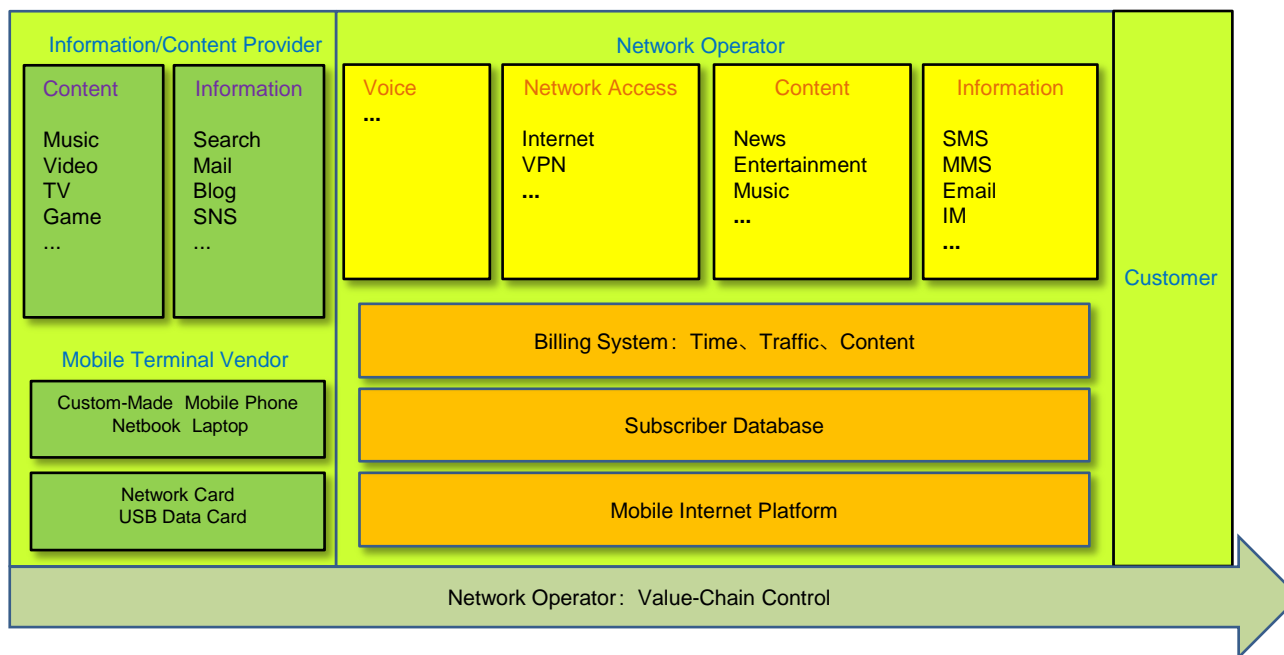
## Information Provider

Best Product and Service



# Network Operator Control Value-Chain

## Network Operator: Platform + Service



### Domestic

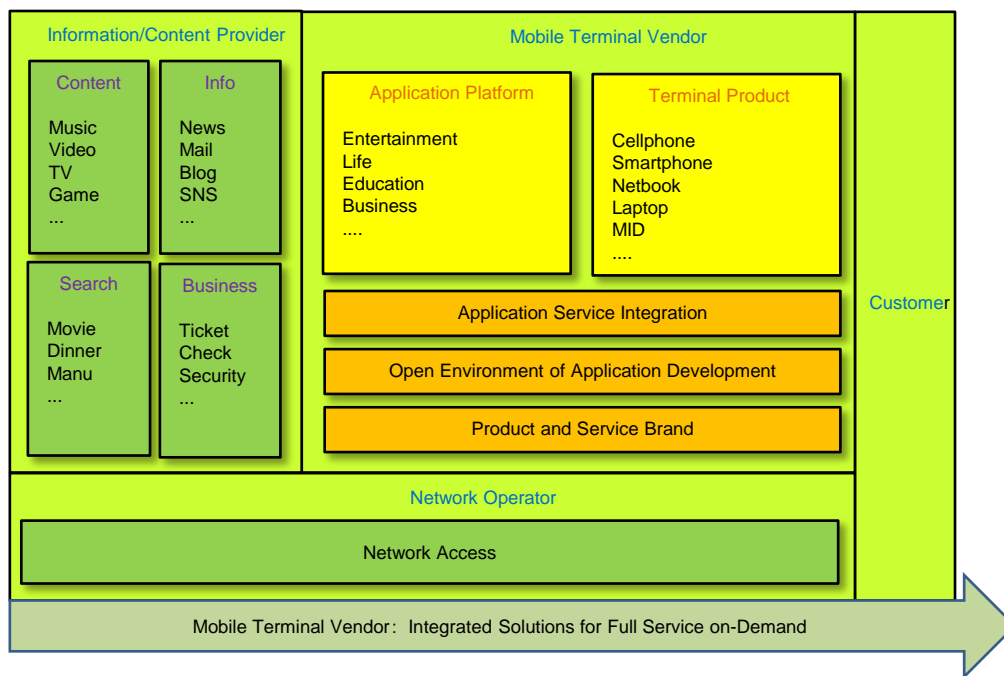


### International



# Mobile Terminal Vendor Integrates Solutions

## Mobile Terminal Vendor: Smartphone + Application



Domestic



OpPhone + Mobile Market



Mobile Market  
移动应用商场



International



iPhone + App Store



App Store

International



Smartphone + OVI



International



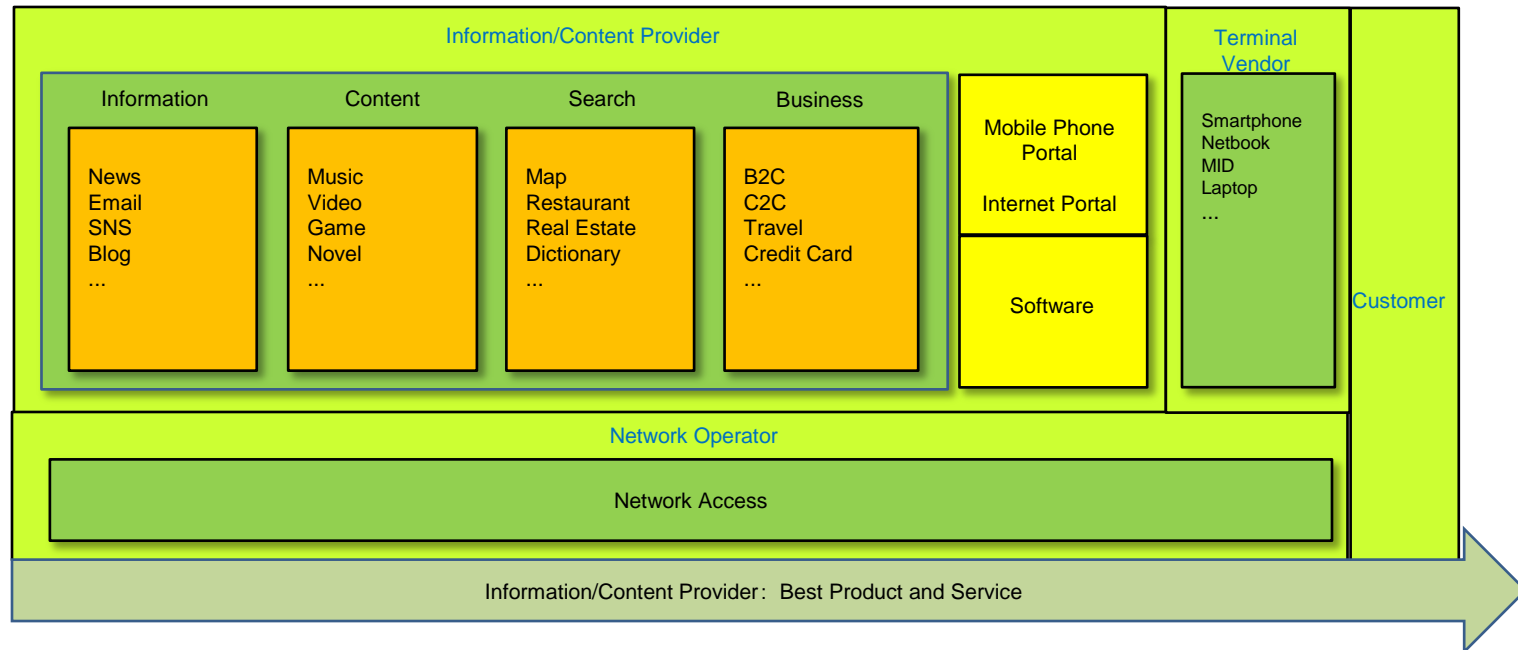
Smartphone + Mobile Market

SAMSUNG mobile APPLICATIONS BETA



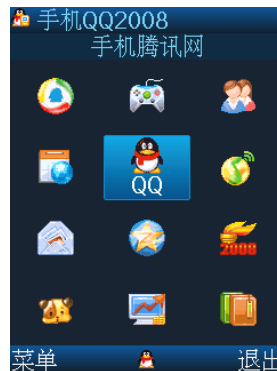
# ISP/CP Provide Best Product and Service

## ISP/CP: Portal + Software Application



Domestic **Tencent 腾讯**

Portal + IM



Domestic **UCWEB**

Portal + Mobile Phone Browser



# Network Operator Faces More Challenges



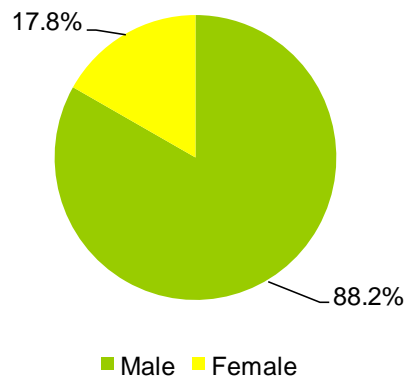
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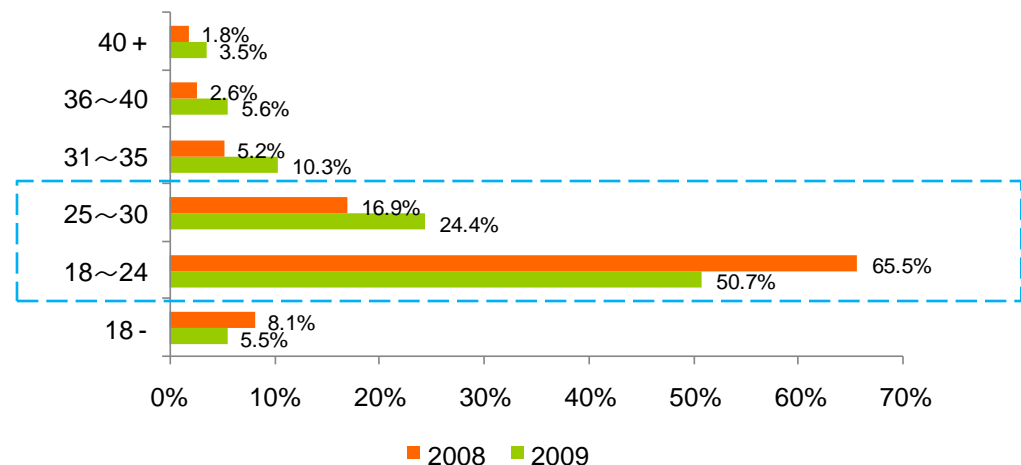
# Age Distribution: Teenage Phenomenon

- Male users(88.2%) used mobile internet, compared to female users(17.8%).
- The largest user group of mobile internet is 18~30 years old.

2009 China Mobile Internet User  
Gender Distribution



2009 China Mobile Internet User  
Age Distribution

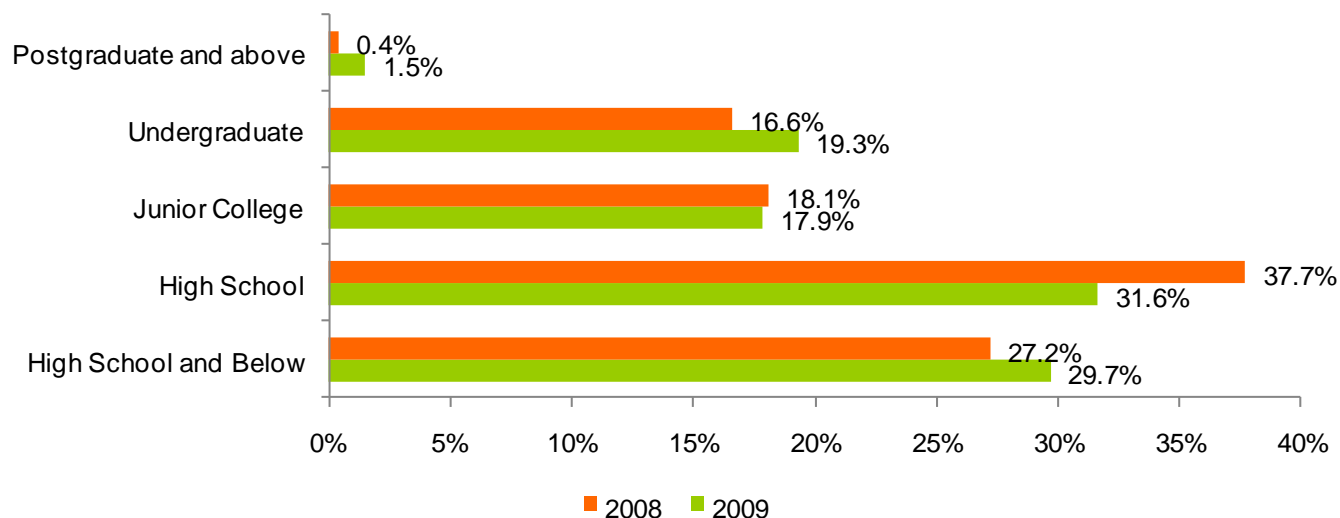


Methodology: 36286 mobile internet users from 15 major China mobile phone portal websites in July, 2009

# Higher Education Users Growing

- 61.3% mobile internet users are less than high school education.
- The number of undergraduate and below users increased 3.8% year-over-year.
- The number of high school users decreased by 6.1% year over year, from 37.7% to 31.6%.

2009 China Mobile Internet User  
Education Distribution

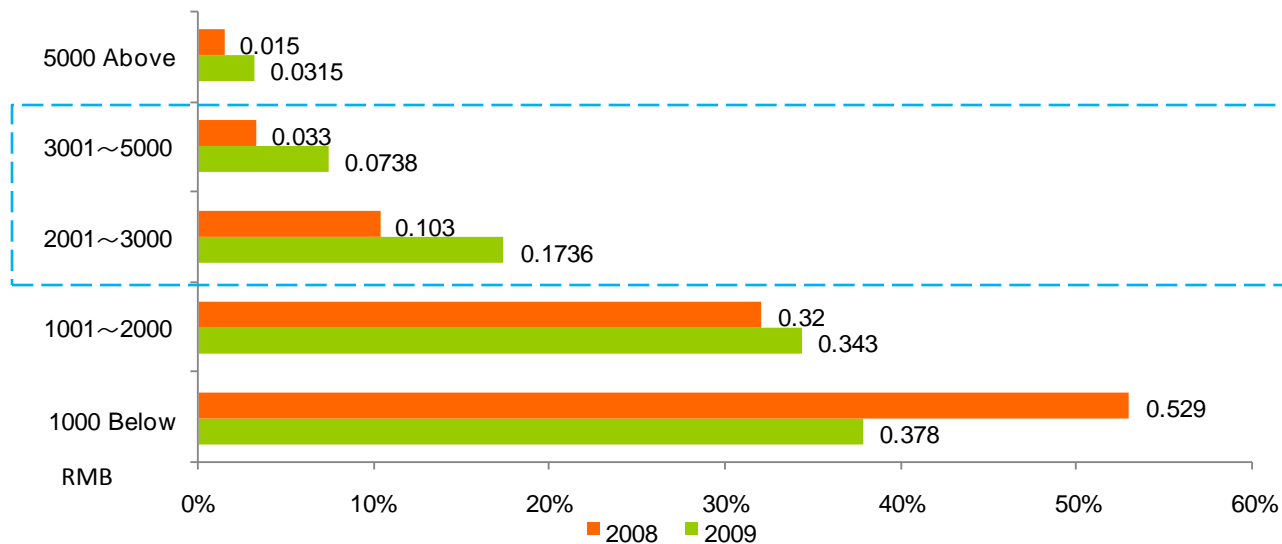


Methodology: 36286 mobile internet users from 15 major China mobile phone portal websites in July, 2009.

# Middle and High Income Groups Increase

- 51.7% mobile internet users were 1000~3000 RMB income-group.
- 3000 RMB and 1000~3000 RMB users increased by 5.7% and 9.4% year-over-year.

2009 China Mobile Internet User  
Monthly Income

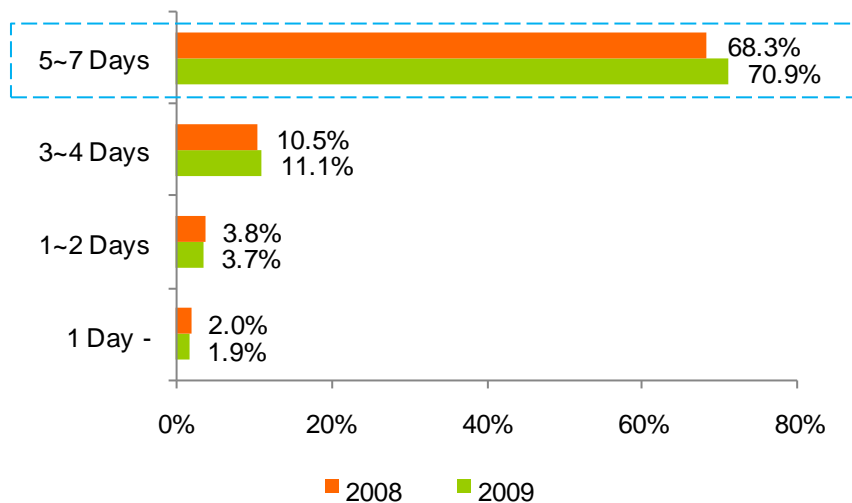


Methodology: 36286 mobile internet users from 15 major China mobile phone portal websites in July, 2009.

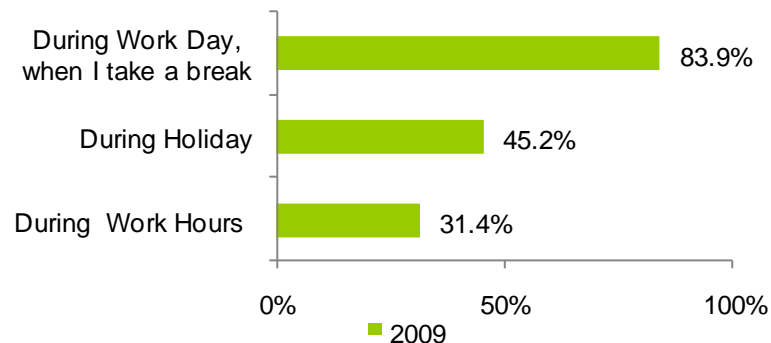
# Frequent Growing, but Slowing

- 70.9% users surf on the mobile internet 5~7 days per week.
- 83.9% Users choose “During work day, when I take a break ” as the time when they get mobile internet service.

2009 China Mobile Internet User  
Frequent Distribution



2009 China Mobile Internet User  
Time Distribution



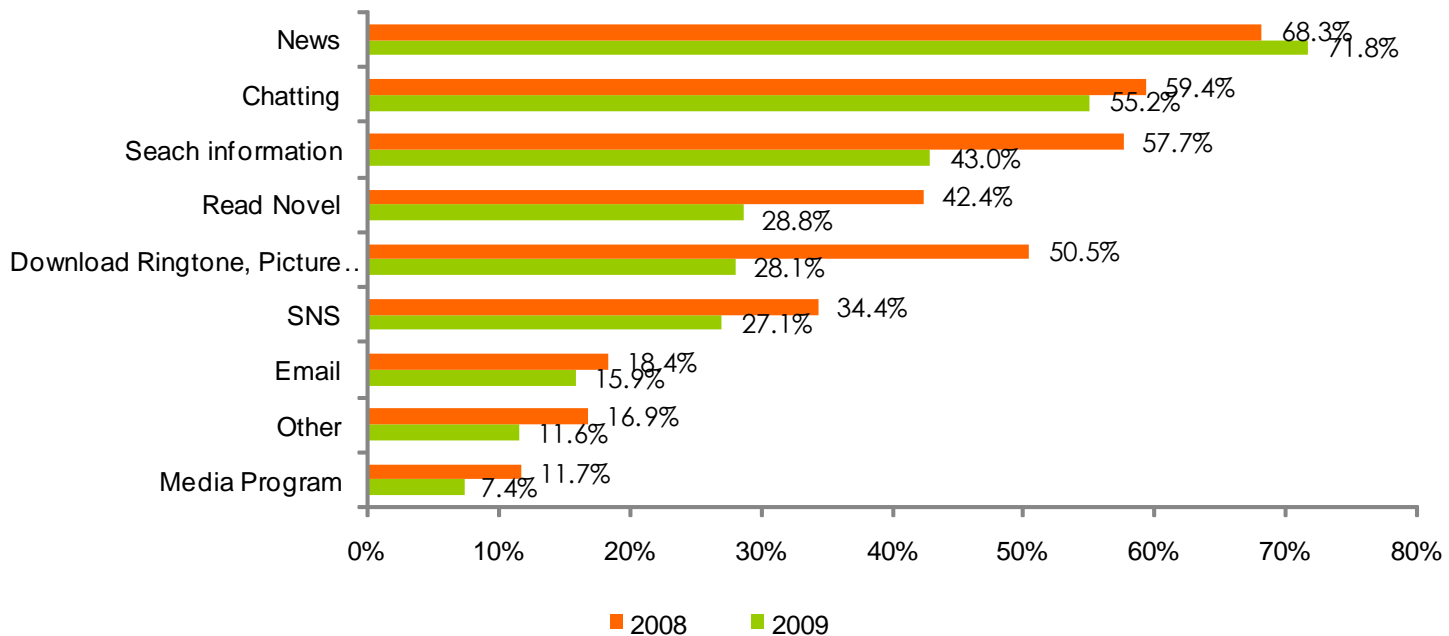
Methodology: 36286 mobile internet users from 15 major China mobile phone portal websites in July, 2009.



# News, Chatting and Search are Popular

- 71.8% of Mobile internet users choose news service.
- The most popular mobile internet services are News, Chatting and Search.

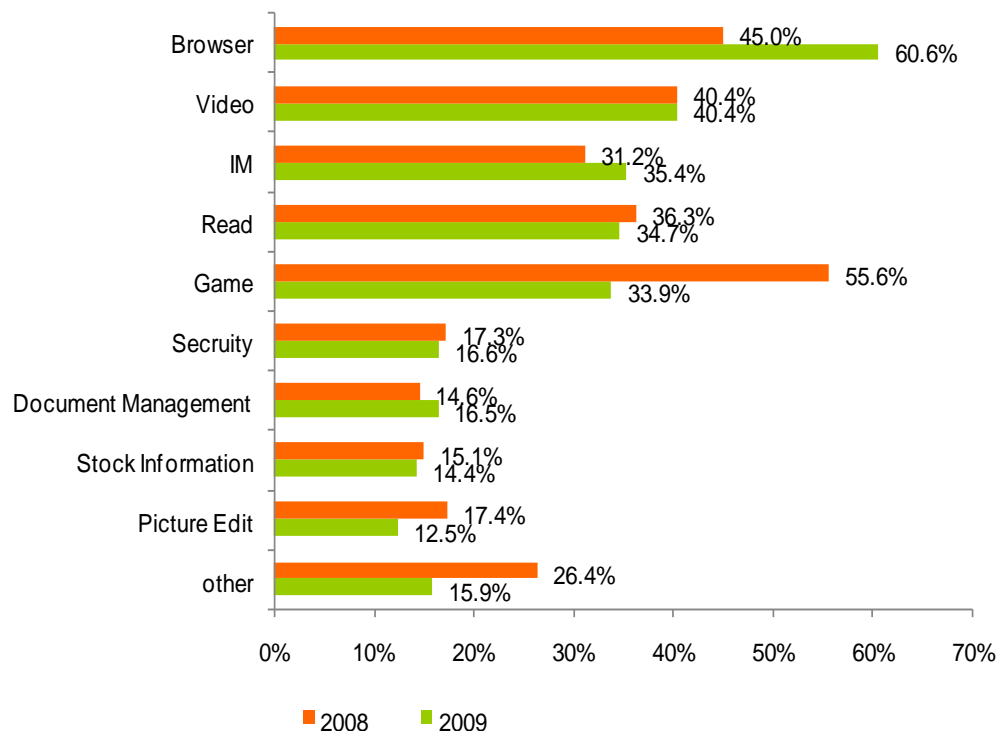
## 2009 China Mobile Internet User Purpose Distribution



# Mobile Browser Increased Especially

- Mobile browser, IM and document management grow.
- Mobile browser, video, IM, read and game are the killer applications.

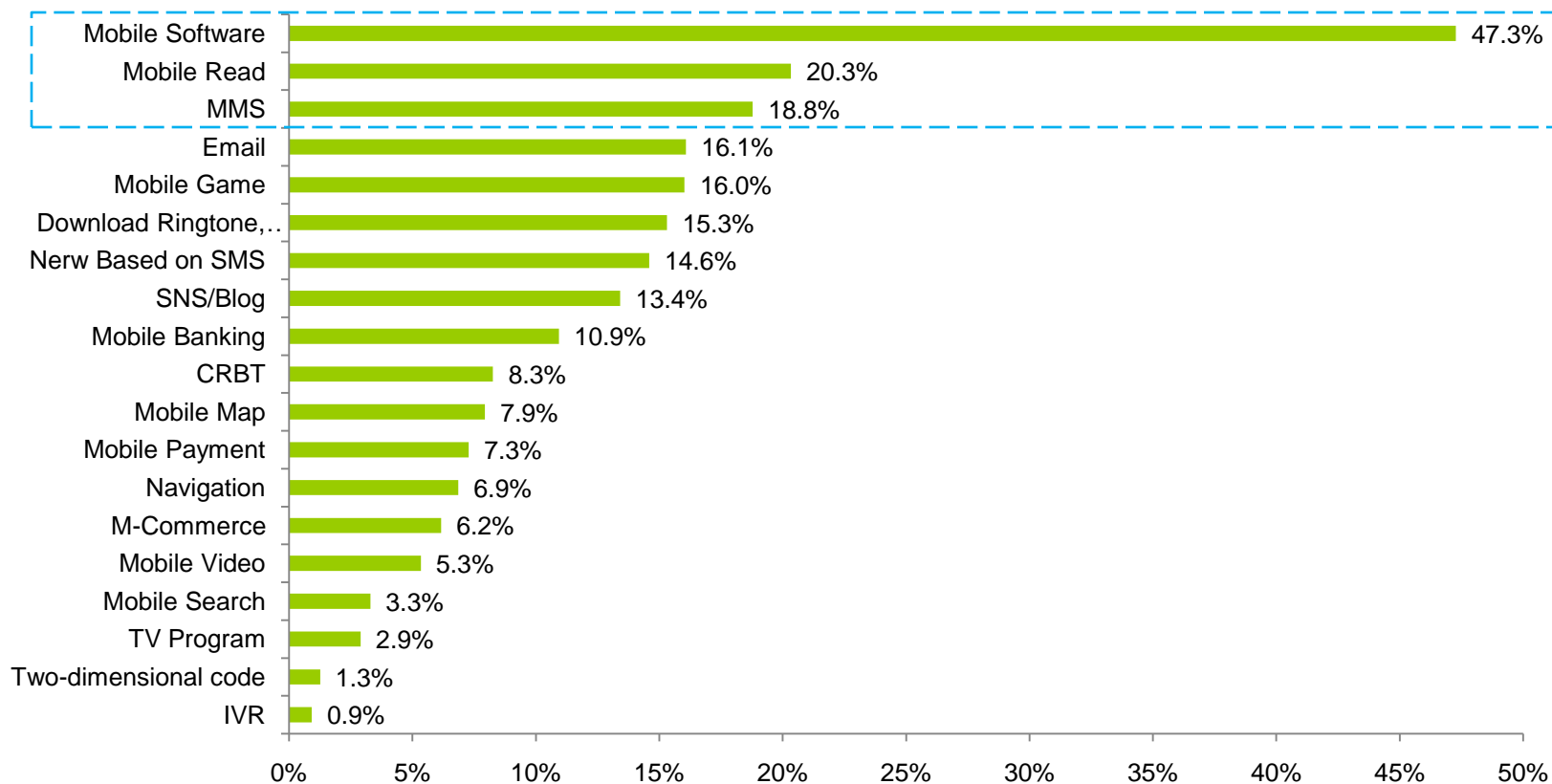
2009 Mobile Software Service Distribution



Methodology: 36286 mobile internet users from 15 major China mobile phone portal websites in July, 2009.

# MVAS: Mobile Software Emerging

## 2009 China Mobile Value-Added Service Pattern



Methodology: 36286 mobile internet users from 15 major China mobile phone portal websites in July, 2009.

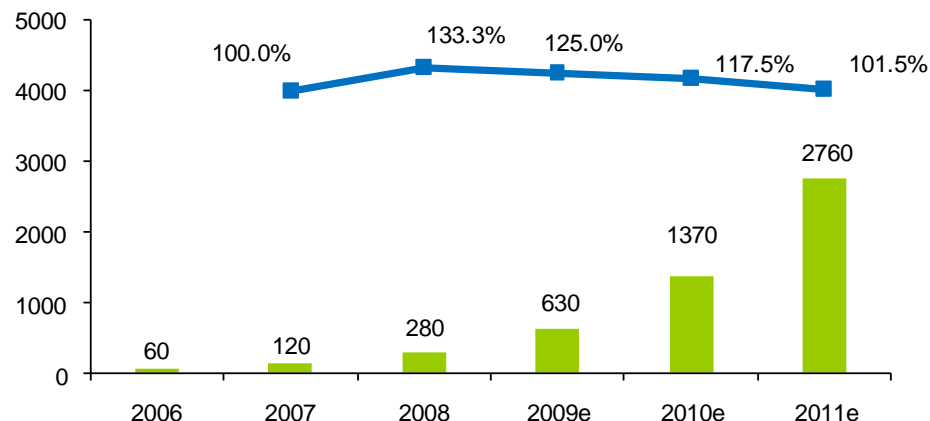
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# Mobile Advertising Market Growing Rapidly



2006-2011 China Mobile Advertising Market Trend and Forecast



Mobile Advertising Market Scale (Million RMB) Growth Rate (%)

Source: iResearch

Mobile Advertising is a sector of the overall advertising industry that is reaching an important milestone.



回复短信“ASL”（免信息费）或用手机免费登陆 HTTP://WAP.AU.DI.CN 了解更多相关信息

手机报 - 中国国家地理 (特刊)

8月9日 星期四

V8引擎、全新multitronic®无级/手动一体式变速箱、quattro®全时四轮驱动以及MMI多媒体交



[Ad] 苏宁, 1+1阳光行动  
苏宁冠军课堂, 为奥运加油  
[www.CnSuning.com](http://www.CnSuning.com)

Mobile Web results:

'toyota'

Results 1 - 10 of about 20,000.

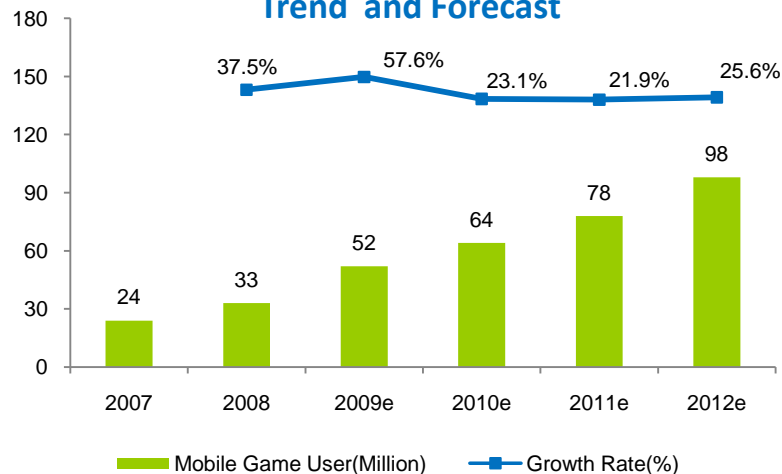
1 [Toyota, Fuji Heavy outline production tie-up](#) - The auto makers had been exploring ways to cooperate in production and development - [mobile.reuters.com/reuters/do.dyn.j...](http://mobile.reuters.com/reuters/do.dyn.j...)

2 [Toyota \(HyperDic hyper-dictionary\)](#) - Shopping, The largest selection of TOYOTA products: USA, UK, Canada, Deutschland, - [hyperdic.net/dic/toyota.htm](http://hyperdic.net/dic/toyota.htm)



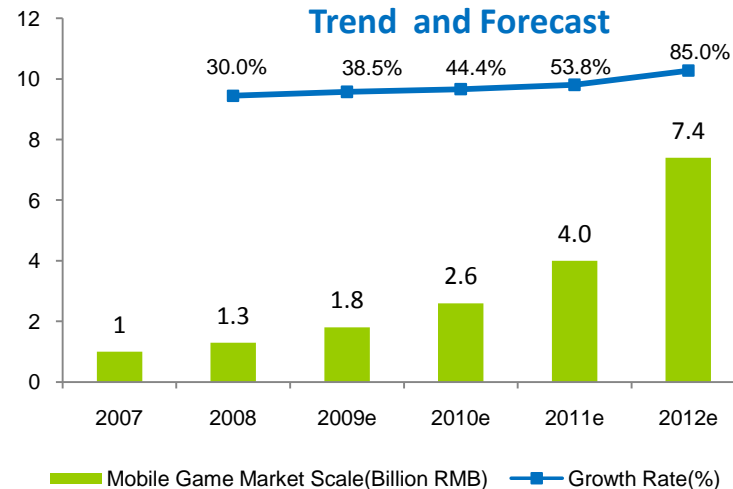
# Strong Growth in Mobile Game Market

2007-2012 China Mobile Game User Market  
Trend and Forecast



Source: iResearch

2007-2012 China Mobile Game Market  
Trend and Forecast



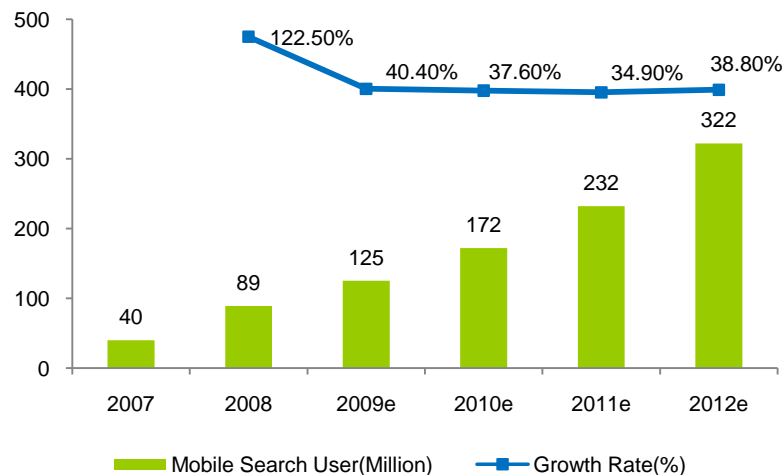
- Mobile game revenues from downloadable games and mobile multi-player online games (MMO).
- Sequential strong performance in mobile MMO is driven by an increase in mobile internet users and a higher percentage of users purchasing in-game virtual items.





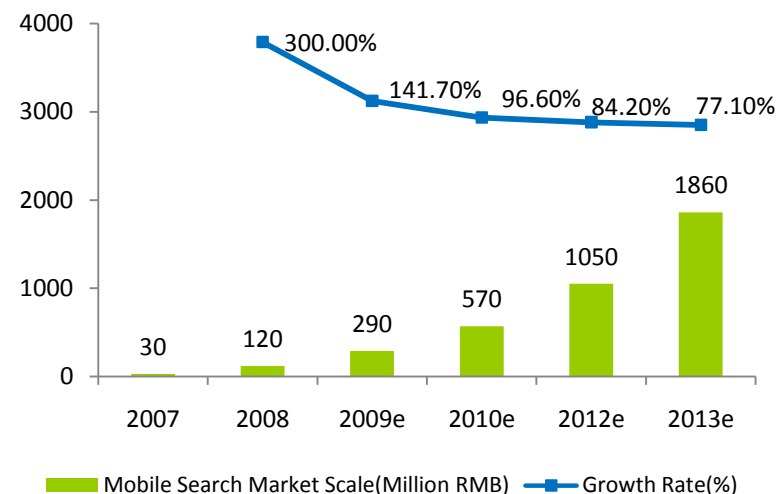
# Future of Mobile Search

2007-2012 China Mobile Search User Market  
Trend and Forecast

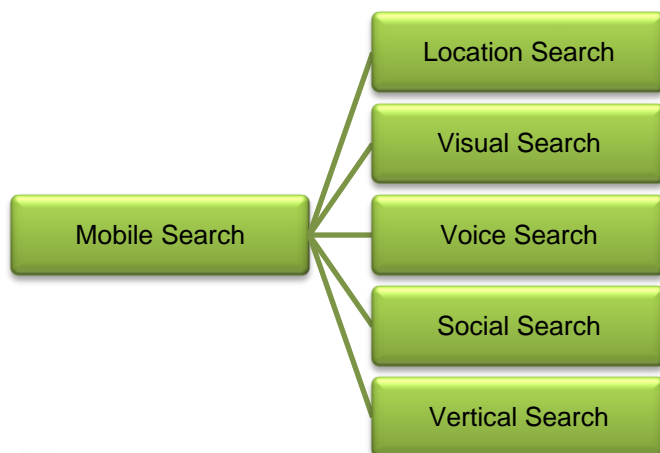


Source: iResearch

2007-2012 China Mobile Search Market  
Trend and Forecast



## Mobile Search in the Future



## Search



## Apps



## Ads



Mobile Search will organize the world's information and make it universally accessible.



# 2009

iResearch  
艾瑞咨询集团

iResearch  
艾瑞市场咨询

iResearch  
艾瑞网络数据

Data<sup>+</sup>

艾瑞网  
iResearch.cn



## iResearch Consulting Group

China's Leading Internet Data Product Provider

China's Leading Research Provider Focuses on

**Internet Business**

China's Leading Research Provider Focuses on

**Online Advertising**

# Thank You!

Bob Chao

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