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## Let's Talk Mobile: Todacell

Posted by: Harel Shattenstein in: [Interviews](#)

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The mobile advertising market holds a big promise. According to eMarketer, mobile search ad revenues will reach \$715 million in 2011 whereas mobile advertising in general is estimated to generate billions of dollars.

Having said that, mobile advertising is still in early stages and there is no verified and long-lasting model for ROI. We sat down with Moshe Vaknin founder & CEO of [Todacell](#) to learn more about the company and to understand where mobile advertising is going.

Activity started at - May 2007

Entrepreneurs - Moshe Vaknin

Investments - seed - \$1M [AfterDox](#) and [Fore-Group](#)

Targeted markets - Japan and USA customers - (not yet public) Mobile Content search Provider and Mobile Instant Messaging.

Q: Companies like Microsoft (with its dedicated platform), Media Layers, Amobee, Adinfuse etc. supply platforms that offer the management of advertisement in SMS, MMS, Wap, and Video. What is Todacell's offer to its clients?

A: [Todacell](#) , does not target carriers at all. Our solution has been developed from day one only for off portal content providers. Todacell believes that off portal browsing over the mobile internet is going to grow rapidly. Premium content providers don't like to be associated or accessed via mobile carriers. Publishers can benefit from our solution very much because our core system has been developed to increase their CTR; Therefore increasing their inventory value and providing high ROI to advertisers, so both publishers and advertisers are benefiting from our solution significantly. Unlike others we do not push ads, but only work only in pull mode.

Our major differentiators from our competitors are that we focus only on premium content that is optimized for the mobile medium and collect users' data over a six month period. This allows us to target users accurately according to their behavioral profile and not just by their content consumption footprints. With cooperation from content providers, and advanced profiling and optimization algorithms we enhance publishers' inventory and achieve maximum value for their ads.

Q: It seems like you chose to work in Japan which is an unfamiliar and distant market. Can you please share with us your insight about the Japanese Mobile advertisement market?

A: the Japanese market is the most advanced mobile market in the world. With 3G all across the country, ubiquitous flat fee data plans to access the mobile web, and advanced mobile devices, it is a perfect ecosystem for the off portal mobile advertising market. The Japanese access the web over mobiles more than PC. Another important factor is that display ads are responsible for roughly 70% of the revenue of this 700M dollar market. In USA for example, it is 50%. Mobile advertising as of today in Japan is about 1% from the total advertising budget while in USA it is about 0.3 percent. In Japan the off portal mobile market is experiencing tremendous growth and already serving about 100B ads a month!

Q: You have years of experience working in the internet advertisement market. Why the move to mobile? What are the main differences between the markets?

A: I believe Mobile is going to change our life and in fact it already did! With iPhone and a new breed of smart phones underway, browsing becomes so easy and applications like GPS make the mobile device an important part of our life, an immediate and personal information and media gateway that is so essential

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in today's wired world. When I go to watch a game or walk downtown and like to see which of my friends are around I can easily contact buddies in my vicinity; Social communities on mobiles are a huge market because of their location awareness capability and personal nature. Unlike internet content which is hardly personal and driven by content, the mobile ad market is driven by users. We're already witnessing more and more people connecting to the internet via Wi-Fi and soon WiMax, therefore shifting to data consumption over voice. This is why mobile carriers are concerned and rush to take part in the growing data market.

Q: For many years now we hear that the mobile advertisement is the next big thing, and every year we see a great disappointment from this market with numbers way below the forecasts. Share with us your thoughts about the root causes for the delay this market experiences.

A: I think the following main factors attribute to the delay:

- i. Lack of devices that are easy to use to browse the web- this has been resolved significantly with the introduction of the iPhone and other devices that followed. Apple knows very well how to build intuitive interfaces and rich content while others are still struggling. We are going to see a growth in number of devices in this direction.
- ii. Data used to be expensive- as I said in Japan there is a flat fee for mobile browsing! As this trend crosses over to other territories we are going to see a major growth in data consumption over the mobile internet.
- iii. Optimized content for mobile - Until this year, content for mobiles was not really rich or relevant enough to attract users. The content on mobiles must be optimized to fit mobile browsers and browsing style. It must be optimized for audience habits and behavior on mobiles, not on PC. This year we're seeing a revolution. Content providers are rebuilding their content and optimizing it exclusively for smart phones. In two years everything we will see smart phones everywhere.

Q: Recent hardware and software solutions (iPhone, Skyfire, etc.) are new to the industry, How will that affect the market? And what do you do in order to take advantage of it?

A: This is a fantastic development for us. Our company was built on the idea that such devices and fast open browsing on mobiles will increase users' engagement with mobiles, therefore, creating a significant opportunity for premium mobile advertising which is where Todacell is strong.

Q: How do you approach advertisers for mobile advertisement and how do you convince the advertisers as most of them are very reluctant about this medium?

A: We have contacts with few leading mobile agencies globally and also we approach unique advertisers who like to access mobile users in a specific geography. A simple example: if you want to advertise to download a game or a particular song there is no better platform than the mobile where we can target the right age and vertical to match the needs of the advertisers. I think that the mobile device is the only device that can match ads to users; the PC internet can match ads to the content but not to users!

Q: How do you think mobile operators can manage mobile advertisement as they have no specialty in advertisement management (unlike ads agencies and interactive agencies)?

A: I think mobile operators should stay away from advertising. It is not their expertise. I don't see a communication company by DNA becomes a media company. It is not going to work. In fact we have already seen that. Mobile operators more and more will outsource their media operations to those who know what to do and they will share part of the revenue, but mostly, they are interested to see the users consume more data in order for them to generate more revenue from data and not from advertising.

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Q: Where do you think the mobile advertisement market will get to a year from now? (Technology, content types, services, significant players...)

A: We are going to see a continued growth. The economic situation could be an opportunity for mobile advertising. If a mobile content provider can prove to the advertiser better results than TV advertising, we are going to see money shift from expensive TV advertising budgets to less expensive and far more measurable mobile campaigns.

Q: What do you wish Todacell towards the New Year?

A: We hope to continue to grow and expand our deployment to many customers and finally to see a significant growth in mobile advertising.

We would like to thank Moshe Vaknin of Todacell and to wish all our readers Season's Greetings from TalkingMobile.

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