

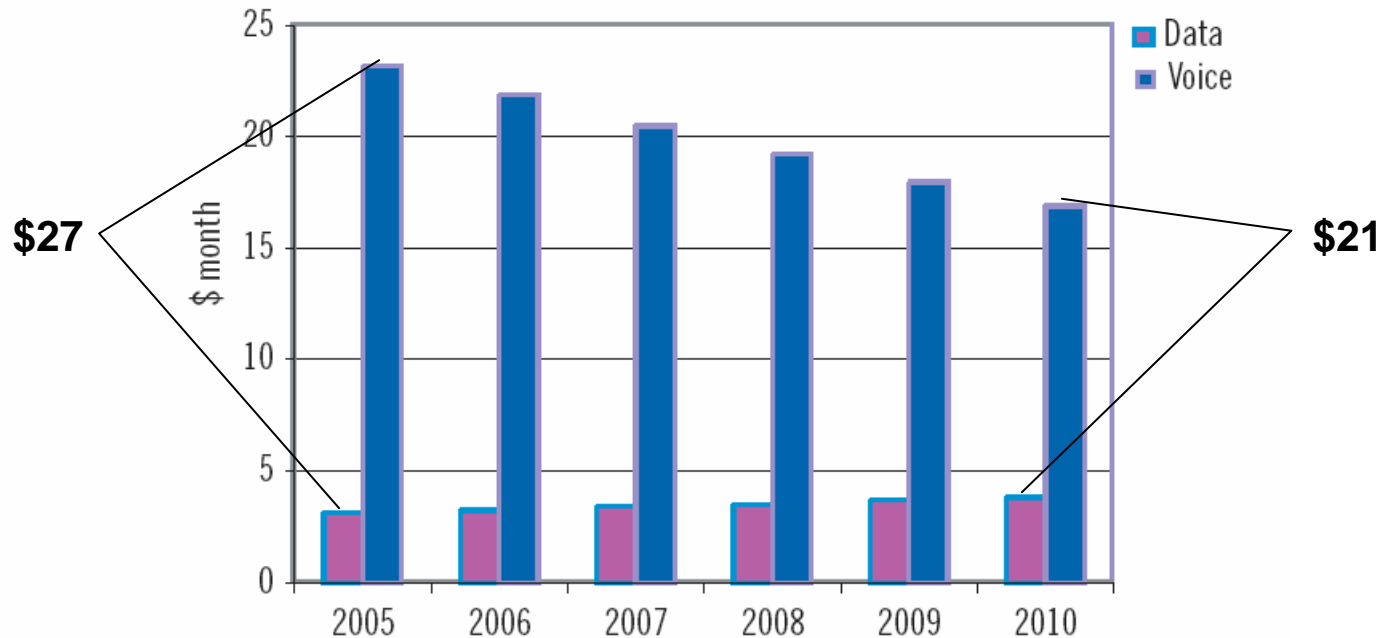
INCA and A-VB for BREW®: A Case Study at Midwest Wireless

Carl Washburn, CEO, VOCEL
Scott Bergs, COO, Midwest Wireless
Carla Riney, Staff Product Manager, Qualcomm
Bill Hamill, VP Bus Dev, VOCEL



ARPU Sliding

Worldwide Cellular Operators Voice and Data Revenues (All Technologies)



Source: Informa Telecoms & Media

“Although mobile data revenues are expected to increase over the next five years, these will not make up the shortfall unless operators adopt radical new marketing and customer relationship management strategies.”

Source: Informa Telecoms and Media, 2006

Non-Penetrated Data Markets

Mobile Data Habits

Mobile subscriber monthly consumption of content and applications

Activity	Percent of German Subscribers	Percent of U.K. Subscribers	Percent of U.S. Subscribers
Purchased Ringtone	7.5%	6.5%	10.0%
Purchased Wallpaper or Screensaver	3.2%	2.5%	3.9%
Downloaded Mobile Game	2.7%	4.0%	3.0%

Source: M:Metrics

Data Purchase Barriers

Table 1: Comparison of click distance and time needed

Click distance (no of clicks)	Verizon	Cingular USA	T-Mobile UK	Orange UK	Vodafone Germany	Vodafone Germany	E-Plus	Average
Ringtone a	14	--	9	31	26	--	--	20
Ringtone b	11	23	10	22	64	14	21	24
Game a	8	19	19	35	28	41	24	25
Time needed (mins/secs)								
Ringtone a	5m02	--	0m40	4m20	0m50	--	--	2m42
Ringtone b	7m56	2m48	1m02	5m10	1m17	0m44	1m26	2m54
Game a	2m15	2m04	1m32	8m25	1m09	1m27	1m02	2m32

Source: Informa Telecoms & Media

INCA Activate. Stimulate. Accumulate.

- Patent-Pending Promotion Engine

- Goal: Pre-load on Every Handset
- Free App on Catalog
 - Free Ringtone/Wallpaper
- White Label (Carrier Branded)
- Carrier Controls and Schedules Content

RINGTONES



WALLPAPERS



APPS & GAMES



SURVEYS



INCA

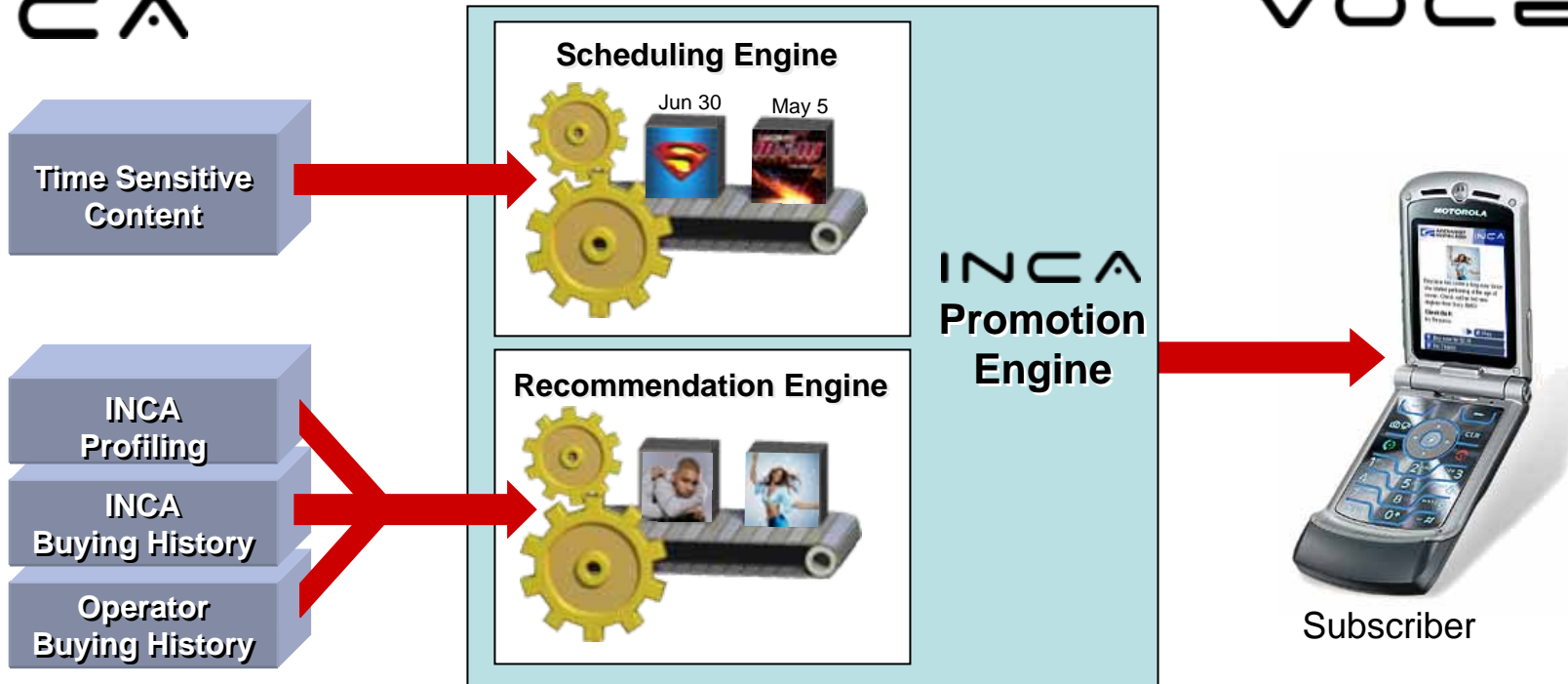
Demo

VOCAL.



INCA

VOCAL



Scheduling Engine

	May 5, 2006
	June 30, 2006
	July 7, 2006

Recommendation Engine

INCA Profiling Age Filter Gender Filter Genre Preference Filter	INCA Buying History Purchases +5	Operator Buying History Ringtones +3 Wallpapers +3 Applications +3
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Data Uplift Strategy

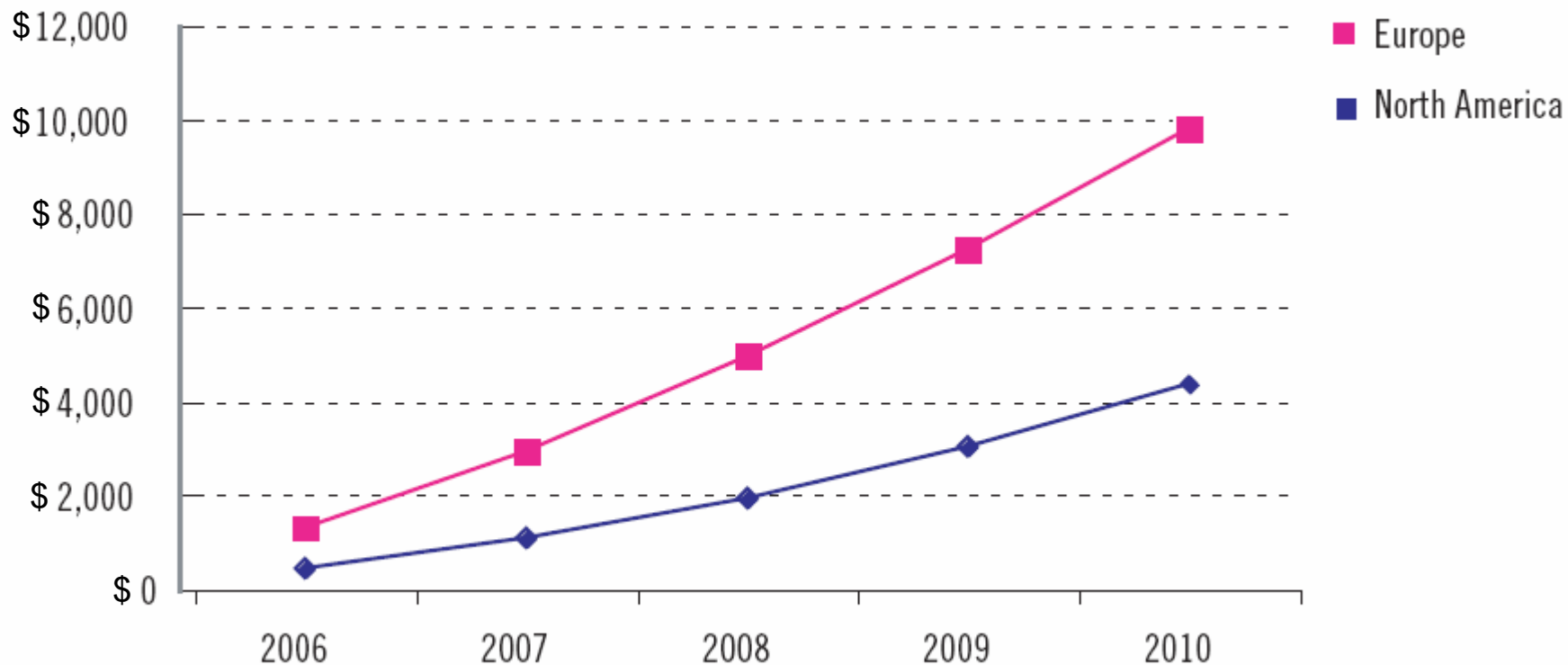


INCA

VOCEL

Expected Revenue Impact

Cumulative operator revenue gain from INCA 2005 – 2010 (\$m)



Source: Informa Telecoms & Media

Midwest Case Study

Scott Bergs, COO, Midwest Wireless



Our BREW History



- **Midwest Wireless Launched Our Retail BREW Application Download Service in September 2003**
- **We Had 2 Enabled Handsets**
- **Starting At 0 BREW Enabled Handsets**
- **Average BREW[®] Revenue Per Active BREW Sub**
 - **September 2003 - \$3.99 per subscriber per month**

Last Year at BREW 2005



- **We Had Achieved:**

- 14 commercial handsets
- 37% of installed base was BREW enabled
- 29% of BREW enabled were BREW Active Users (at least 1 download)
- .83 downloads per BREW Active Sub
- \$3.35 revenue per BREW Download

- **Lesson**

- Using Mass Market Approach Can Work
- Targeting to Customer Profile Will Multiply Success

- **Key Challenge**

- How to Cost Effectively Target to Customer Profile

TODAY at BREW 2006



- **We Have:**

- Wide variety of commercial BREW handsets
- 65% of installed base is BREW enabled
- 35% of BREW phones are Active Subs (made at least 1 download)
- .65 downloads per BREW Active Sub
- \$3.53 revenue per BREW Download

- **Lessons**

- As BREW Active Subs increase revenue opportunity increases
- Targeting customers does increase first time BREW downloads
- Despite increased ARPU – net revenues grew only slightly

- **Key Challenges**

- To more cost effectively target subs with BREW enabled phones to make their first download
- To get BREW Enabled Subs to make multiple downloads

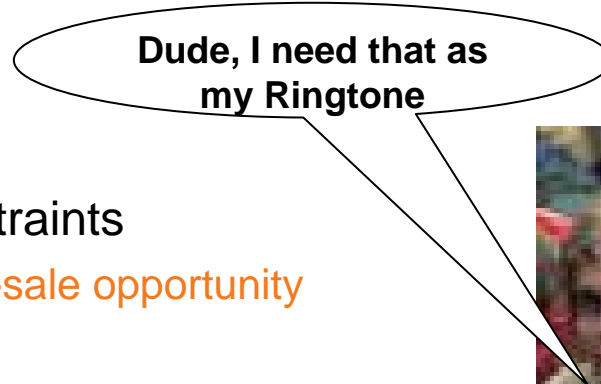
How INCA and A-VB Help



• Getting The First Download - Efficiently

– Key Hurdles

- BREW on my phone; won't that void the warranty?
 - First Download Free
 - Learn downloading
 - Thereon customer sees content name rather than BREW
- Customer POS Time Constraints
 - Deliver at convenient post-sale opportunity
- 20 clicks and 2 Minutes
 - 1 click
- Content Relevance is Time Sensitive (I can always do this later v.)
 - Enables carrier to touch customer at relevant time



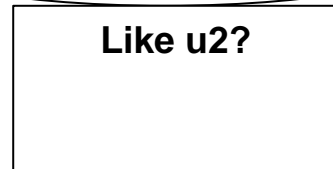
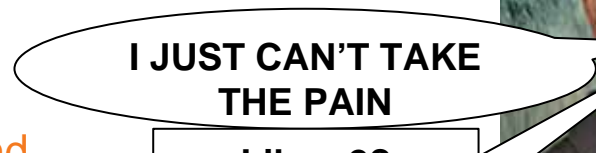
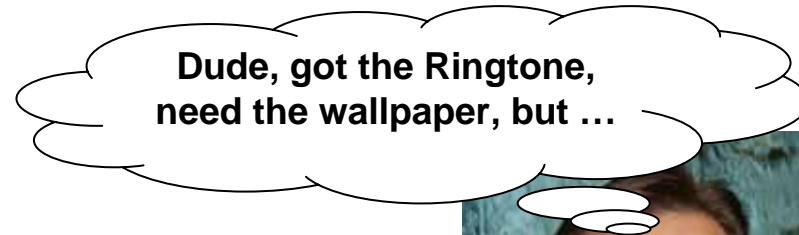
How INCA and A-VB Help



- **Multiple Downloads**

- **Key Hurdles**

- 20 clicks and 2 Minutes
 - 1 click
 - Staying Top of Mind and Relevant
 - INCA Recommendation and Scheduling Engine



Our Goals for INCA



- **Simplify the Customer Experience**
 - Increase BREW Active User/enabled handset
 - Increase BREW downloads/Active User
 - Increase ARPU contribution from BREW
 - Increase NET REVENUE!
- **Added Benefits**
 - Potentially increased application margins
 - Easy, timely and efficient customer polling

Implementation Keys



- **VOCEL Backend**
- **Customer Download of INCA App**
 - Training and incentives at POS
 - Preloading at Manufacturer
- **Customer Opt-in**
- **Catalog/Campaign Design**
- **Dynamic Use of This Medium**
 - Keep the results coming



Getting Started with A-VB

Carla Riney, Staff Product Manager
QUALCOMM Internet Services



A-VB Implementation Steps



- **Business Agreements (Operator & Developer)**
- **Billing Modifications (Operator)**
 - Add Value Billing Event Types (Available since BDS 2.1)
 - IB: Chargeable Transaction (similar to Download DL)
 - IX: Third Party Settlement Ability
- **ADS Configuration Changes (Operator)**
 - Real Time Authorization of A-VB Transactions
- **Application Creation (Developer)**
 - Application Development
 - References Value Billing Extension (Available on DX)
 - Displays New Purchase Behavior
 - Performs Purchase Authorization
 - Triggers Billing Event

Familiar Business Model

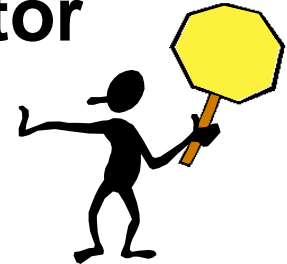


- **Continues BREW Revenue Sharing Business Model**
 - Revenue share determined based on consumer list price
 - Operator, developer and QIS share in revenue
 - Percentage shares negotiated per operator basis
- **Operator and Developer Contract Impacts**
 - Operator contracts will be amended as required
 - Separate developer application value billing agreement

Sharing Control



- **Purchase Experience Controlled by Application**
 - List Price and Content Fee
 - Application generates transaction
- **A-VB Transaction Authorization by Operator**
 - Implements ADS API's



Validation Points	
Transaction	Subscriber
Developer	Content Fee
Application	List Price
Platform	Prepay funds

How To Get Started With INCA



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