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The implementation of a strategic monitoring, made of three section, enables the members of the consortium to anticipate the evolution of the elements of the project that are the most likely to influence their activities. These activities are:

1. Area 1 / Perception

The advertising market and its relationship with the new media, namely the mobile phone sector.
What about the messages, their shapes, the advertisers? Who broadcasts advertisings and information services on nomadic media? What are the existing models? According to what criteria do they differ? What are the experiments in progress?

The objectives of this area of monitoring:
We aim to know whether the existing advertising can evolve to adapt to a new medium of broadcasting or if this new medium creates new advertising models?

Procedure:
An inventory will be made of the existing relations between the advertising models (e-advertising) and the traditional and nomadic media, through the perception of consumers (survey, opinions, research institutes…)

Results of the first stage of the research:
The boom of the mobile phone market opens new perspectives in terms of advertising. Therefore, the 2.5G mobile phone (and later on 3G) is today a promising advertising medium but it is still difficult to establish an efficient strategy in term of advertising broadcasting on this new medium.

It is therefore of prime importance to monitor European advertising and specifically advertising in the countries concerned by the ELBA project.
An analysis of the different media and advertising models will enable us to do a "check-up" the European environment of advertising.

It would be really useful to begin with the study of the public acceptance of advertising broadcast on traditional media.

Following this, a gathering of information on the advertising on Internet will be done.
Finally, a monitoring of advertising model on nomadic media will be undertaken.
An analysis of the public's behavior when facing different medium and advertising models will enable us to gather the necessary information for the development of a strategy of broadcasting advertising on mobile devices:

The whole of this monitoring work therefore enables us to give with precision the necessary information to elaborate an optimum adaptation to medium and advertising models related to mobile phones.
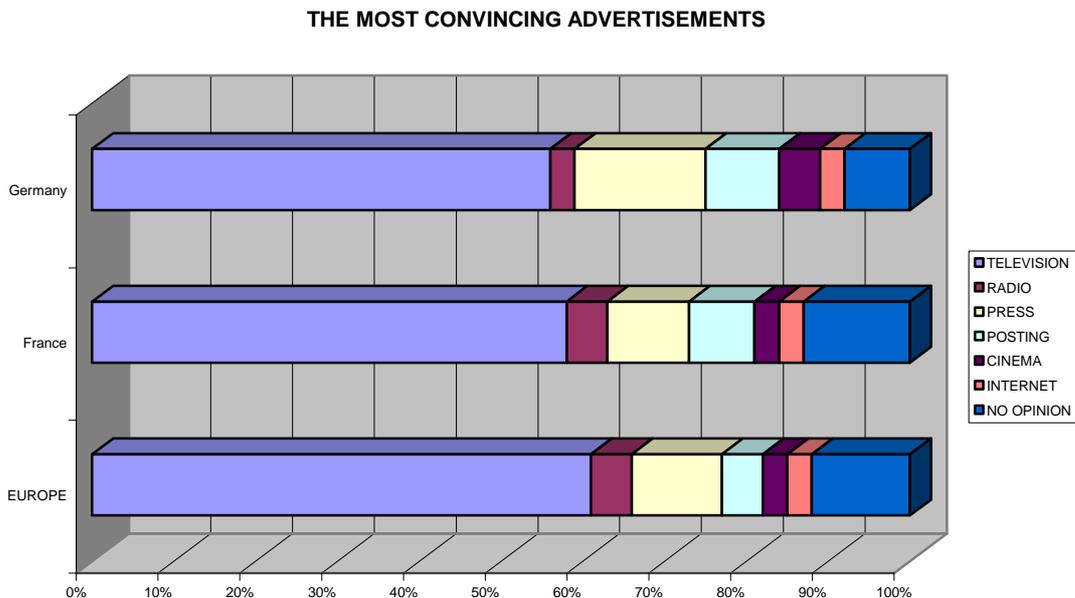
1.1 Advertising in Europe: Traditional Media

To begin with, the work of monitoring will consist in the <u>analysis of the different advertising media</u>: the traditional media (television, radio, display advertising...) The creative, demonstrative and convincing characteristics of each of these media will be analyzed to determine their impact on the European public. This analysis will allow establishing a <u>comparison between the different traditional media</u>, and then <u>between more recent media</u> (Internet...) and finally the nomadic medium.

The different points under study are:

". Level of adherence of Europeans to advertising and the image of advertising medium in Europe (Europe, Germany, France, Spain, Italy, United Kingdom)":
http://www.snptv.org/fichiers/200100%20-%20Fichier%20Acrobat%20IPSOS.pdf

THE MOST CONVINCING ADVERTISEMENTS

- **"Consumers' typology":**
http://www.snptv.org/fichiers/ACF2ED8.pdf
This link offers a study on the French consumers' habits and their use of media.
  ➢ Television, cinema, radio, daily press, TV press, magazines, free press, display advertising.
  ➢ Information means used according to the consuming posts.
  ➢ Information means used according to the criteria of consuming choices.

1.2 Penetration of Advertising on the Internet

"Online advertising settles in the media plannings"

http://www.journaldunet.com/dossiers/grp/021010epub1.shtml

Although recent, Internet had already been the object of studies that have analyzed its degree of penetration as well as the acceptance of e-advertising by users. The Internet has shown the role it could play in the framework of multimedia advertising campaigns:

"Last year, according to TNS Media Intelligence, 180 out of the top 200 French multimedia advertisers tried on-line advertising. This arrival of so-called traditional advertisers implies a small cultural revolution for e-advertising: instead of speaking of " click rates" or "pixel", Internet must learn to integrate the advertising language common to other media. That is to say that in order to integrate itself in a multimedia display and in media planning (and therefore emphasizing its own advantages) e-advertising must now rely on the key indicators of the advertising market."

Our analysis of Internet as a medium will be based on the following areas:

. **"The penetration"**
http://www.journaldunet.com/dossiers/grp/021015epub4.shtml
and
. **"The covering":**
http://www.journaldunet.com/dossiers/grp/021014epub3.shtml
and
." **Recall and cost":**
http://www.journaldunet.com/dossiers/grp/021011epub2.shtml
⇩

Advantages of online advertising in media plannings:

- Coverage and penetration of online advertising.
- Efficiency, impact and costs of online advertising campaigns.
- Internet: an emergent advertising medium

1.3 Advertising on Nomadic Media: Penetration and Receptivity

Extracts of articles found on the Internet and references:

- **"The UK's first 3G advertiser is online bank Smile":**

http://www.europemedia.net/shownews.asp?ArticleID=7208

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> ➢ Online bank <u>Smile</u> marks the beginning of advertisers' exploration into 3G <u>advertising</u>.

Over the coming months, both <u>Manx Telecom</u> and I-level expect to experiment with differing ad placements and formats.

The results of Manx Telecom's 3G advertising exploration will prove to be quite useful to other operators whose 3G networks will not be launched until late 2002 and early 2003.

- **"Isle of Man 3G showcase-one Year On":**

http://www.mmo2.com/docs/media/downloads/Manx_Telecom.pdf

In December 2001, Manx Telecom has begun an <u>exploration on 3G advertising</u> in the Isle of Man. <u>This exploration is still (status 02/2003) going on</u>. From December 2001 to August 2002, 200 users have tested the 3G technology. According to a representative of Manx Telecom whom we contacted by phone, <u>the trials were a success</u> and the tested users, part of them being businessmen, have become customers: they are <u>now paying for the services they have tested</u>.

Here are the tested services:
- **Location services** (push information, pull information, e and m-commerce, <u>location specific advertising</u>).
- **Information services** (games, e-mail, sports, news, <u>public transport</u>, entertainment/gambling, job adverts).
- **Mobile office** (Corporate intranet services, <u>mobile workforce</u>).
- Video telephony.
- On-line games.
- Live & archive video.

In the future, we will concentrate on the final results of the exploration drawn out by Manx Telecom, which will prove to be quite useful for the consortium.

- **"3G license holder Manx Telecom to build GPRS network" 04/10/2002**

http://www.europemedia.net/shownews.asp?ArticleID=12951

"Manx Telecom holds a UMTS license for the tiny island (Isle of Man), the operator is not totaling abandoning GPRS or 2.5G network in favor of the new kid on the block, 3G."
"As regards the Telco's roll-out of 3G, Hall says services and billing methods are currently being tested on single mode NEC handsets with around 200 users on the island. The Manx Telecom boss said he expects dual mode handsets to arrive on the Isle of Man within the nest twelve months."

- **"Irish users would switch to 3G services":**

http://www.europemedia.net/shownews.asp?ArticleID=1027

"Almost 90 per cent of consumer and business mobile users would switch operator if it were necessary to subscribe to the new UMTS services of their choice, according to an Irish survey carried out by Siemens Ireland."

"According to the survey, the first operator to offer 3G services will have an enormous advantage over their competitors, as user loyalty to their service providers is at a minimum. And with market groups forecasting Irish UMTS subscribers to top 500,000 by 2005, the revenue implications are clear."

"The key services sought by users are traffic information, with over 80 per cent placing it first in importance; booking and reservations services, required by 77.3 per cent of users; and internet access, which 75.45 per cent of subscribers put top of their list."

"According to the survey, consumers are prepared to pay 63 per cent on top of their existing mobile phone bill to avail of the UMTS services of their choice. Over 66 per cent are willing to accept advertising if usage of new services will be cheaper."

"The under-20 market shows a significantly higher interest in the new services. Of particular interest to this age group were entertainment, multimedia messaging and interactive games."

"Wireless advertising to offer new opportunities":

http://www.europemedia.net/showfeature.asp?ArticleID=3879

"Wireless devices provide an unprecedented opportunity to reach consumers in a more targeted way than traditional media channels afford, according to a new report by Frost & Sullivan."

Wireless marketing has the ability to enhance customer loyalty and reduce churn, states the international marketing consulting company. Moreover, this new channel is expected to become a popular and sustainable revenue-generating medium. Network operators, advertisers, technology and solutions providers, service providers and consumers all stand to benefit from wireless marketing.

"Consumers responding positively to mobile and online advertising":

http://www.europemedia.net/shownews.asp?ArticleID=4578

According to new research from Datamonitor, advertising on mobile phones and the Internet is working. Despite being hit by more traditional forms of advertising from the moment they awake (i.e. radio, television etc.), consumers across Europe are responding positively to adverts that appear on mobile phones and online.

"3G services get the thumbs up":

http://www.nua.ie/surveys/?f=VS&art_id=905358111&rel=true

and

"Consumers say yes to 3G":
http://www.detica.com/display_news/display_news.asp?id=77
⇩
According to survey over 77 percent of respondents who undertook a demonstration trial of 3G services in the UK, found the individual services either 'appealing' or 'highly appealing'.

"mCommerce : Ready To Roll":

http://www.wirelessdevnet.com/channels/wap/features/mcommerce.html

"Mobile commerce is a hot issue. Analysts tell us that close to 50% of all e-commerce will be mobile and the projections are staggering."
"The benefits of being able to conduct a financial transaction while mobile are considerable."
"France Telecom has launched the second trial phase for "ItiAchat", which is a secure mobile e-commerce service."

http://www.journaldunet.com/0301/030127digitalrum.shtml

"Digital Rum, Europe's leading m-commerce provider, and Orange France, the leading French mobile operator, announce today an agreement to extend their partnership for the supply of Digital Rum's Mobile Commerce Platform."

2. Area 2 / Adherence

The inventory and then the observation of services (advertising and information) existing on mobile phones enable us to pick out the innovations that are likely to offer accepted services, admitted and even encouraged by consumers.

The objectives of this area of monitoring:
Are certain consumer targets more receptive than others to this type of services? Are there services (advertising and information) that are approved or rejected? For what reasons, what limits...?
This area would have to strongly integrate the geographical aspect of the question.

Results of the first stage of the research:
The mobile phones market has entered a new era for multiple reasons:
- The massive and growing number of mobile phone put on the market (about 60% of the total population in France with more than 38 million of subscribers)
- The multiplication of psychological, sociological and economical functions of mobile phones based on devices (such as for example: personalized covers, pedestrian set, hands-free option etc.) to make certain devices more appealing to members of particular socio-economic groups (images, sounds, type of mobile phones: PDA, smart phone...)
- Finally, a keen interest for new paying services (directly offered by telephone companies but also offered by specialized marketing agencies: SMS+, MMS, rings, logos, pre-recorded voice-mail for answering machines, downloadable games...) which create a playful mobile phone but also UNIQUE (strong personalization).

The list of services offered by the phone companies can be compared between companies but also between the countries since they use the same norms (GSM/ GPRS) and since the companies are identified and linked (either by trade agreement or either because they are subsidiary companies). Therefore it isn't necessary to specifically monitor the companies but rather to monitor the specific population of users.
Area of research:

2.1 Young People

"Youth market to drive 3G"
http://news.zdnet.co.uk/story/0,,t411-s2110887,00.html

The receptivity, acceptance and the primary decision to buy are determined, in particular by advertising and by group effect whose success depends on the impact on the chosen target that is most of the time children or teenagers.

"Companies looking forward to succeeding with 3G services should target their applications at the teen and twenty-something market, according to the latest research, which also found out that mobile users are very interested in using a third-generation handset to access their

email. Taylor Nelson Sofres, a market research firm, conducted the research in Western Europe, Eastern Europe and the US. In all three territories it found that interest in 3G was greatest in the <u>under-25 age range</u>."

The youngest are the ones who are the most vulnerable to new and prospective products. They follow the latest trend and anticipate the ones to come.

High Interest in Applications of 3G (Among Current Internet Users/Mobile Phone Owners)			
	Western Europe	Eastern Europe	USA
Total	22%	26%	25%
Under 25	37%	30%	45%
25 to 34	27%	26%	26%
35 to 49	19%	25%	27%
50 and over	9%	24%	10%
Source: Taylor Nelson Sofres			

We can take the example of the manufacturer Sony-Ericsson who creates products intended for the 15-25 years old. « Sony Ericsson Mobile Communications AB launched a range of new products on Tuesday, including a T100 mobile phone designed to capture a slice of the lucrative and mass-volume youth market. » http://sg.biz.yahoo.com/reuters/asia-126792.html

2.2 The Offered Services

In order to follow the evolution of the population that uses and consumes mobile phones, a monitoring targeted on the mobile phone companies' websites is necessary, concerning offers, promotion and prices intended for the professionals and the public. On the website www.gsmworld.com, it is possible to find all the services offered by the companies and grouped by country.

"Mobile data services: last development and perspective of market"
http://www.idate.fr/fr/qdn/an-02/IF219-20020717/index.htm

Furthermore, we may think that the flourishing services in 2001 and 2002 were:

The <u>sending of short text messages</u> from individual to individual is indisputably the data service the most used today and the biggest invoiced income generated. On average, the mobile phone subscriber from Western Europe sent 17 SMS per month in 2000 and 24 SMS per month in 2001. 50% of the use of NTT DoCoMo's i-mode is the sending of short e-mails.

The <u>personalization service of devices</u>, especially the downloading of rings and logos by SMS, represented the <u>first market of contents on mobile devices in 2001</u>, in the order of 1 milliard Euros for the year in Europe. A large part of these incomes was collected by the specialized services providers and by IVR providers (interactive voiced server). Due to the lack of sharing mechanism of incomes from SMS premium for example, the mobile phone companies only collected small market shares.

The <u>services of mobile community</u> (specifically: chat, forum, meeting services "friend finders") based on the exchange of SMS, are an important success in term of use among the young and in term of income by users. All the mobile phone company now offers these services.

Other services based on the <u>transport of contents by SMS</u> also became a mainspring service in 2002: the simple games (like quiz or horoscope), notifications, the sending of information (also the one about special offers), the micro-payment of services and contents.

2.3 Upcoming Products and Services

Since the mobile phone companies would not easily reveal the services or products they are researching, it is necessary to favor a monitoring on the website of the manufacturers and of patent registration, since it is through the product being "in the laboratory" i.e. the prototypes, we may anticipate the potential services that would be accessible tomorrow (especially by analyzing the specifications sheets of the mobile phones already built but not commercialized yet).

- **New services and games offered in Europe**

http://www.idate.fr/fr/qdn/an-02/IF238-20021119/index.htm
                                and
http://www.idate.fr/fr/qdn/an-02/IF242-20021219/index.htm

New offers of games Java downloadable, launched by Sonofon and O2 on Nokia or Siemens mobile phones java compatible. These new offers compete with offers already launched several months ago by companies using Exen of In-Fusio platform.

Video messaging services, launched by T-Mobile in Germany, enable us to record a video sequence in few seconds from a Nokia 7650 and to send this sequence via e-mail. But we must notice that this service does not use the MMS technology but the e-mail with an attachment of video sequences.

Music identification services with mobile phones, offered by Shazam Entertainment in the United Kingdom. The users can let their mobile phones "listen" to music (on the radio for example) and receive the name of the song and of the artist by SMS.

Sending SMS to a permanent telephone is a service offered by Belgacom and Orange France. The supplier of the service calls automatically the addressee and reads the message to him thanks to a technology called "text-to-speech".

Payment of public transport ticket services, offered in various countries (Finland, Estonia and Italy with Omnitel). The service also exists for parking payment (Omnitel, KPN Mobile). Although of small importance, these services of micro-payment proved to be interesting in the experiments made recently.

Managing the companies' number of mobile phones, using localisation by GPS is offered by KDDI in Japan.

Picture Content service is a service enabling Orange UK subscribers who own a MMS mobile phone to receive multimedia messages on sports, news or entertainment, enriched by images.

2.4 Benchmarking

Something else to notice is that the widest fashion effects in terms of mobile telephony often come from Asia and especially from Japan. It would be useful therefore to monitor the telephony market in Japan and even in South Korea. To do so, even if several objections could be given due to the cultural differences; the tendency is a mutual mimesis.
The first five-months of the 3G FOMA service of NTT DoCoMo: a first evaluation of the launching of the first 3G services in the world, based on the UMTS norm, shows mixed results. On a technical level, DoCoMo's feat is unquestionable. They managed to develop in record time not only a new network and new mobile phones but also a new services platform (specifically a video downloading service and video teleconferencing).

There are still difficulties to solve such as the weak range of mobile phones when there are high rate transmissions or such as the network stability to avoid connection breaks. One of the models of mobile phone was called back a short time after being launched. At the end of February, DoCoMo had 55.700 subscribers FOMA (information from TCA). They had then to revise downward their objective of March 2002 of 150.000 subscribers.

"Evolution of the markets of services on mobile phones"

http://www.idate.fr/fr/qdn/an-02/IF208-20020315/index.htm

The weak network of the service and the high costs of each mobile video service and mobile phone add to the lack of maturity of the technology, which tend for the time being to discourage a high number of potential subscribers. At last, the lack of bi-modes 2G/3G mobile phones is a true handicap since the FOMA's subscribers must own a second mobile phone to be able to make voice call in any place.

3. Area 3 / Authorized Uses

The third area of monitoring is concerned with the monitoring of laws and regulations likely to influence the habits in the use of advertising and information on mobile phones.

The objectives of this area of monitoring are:
- What texts are referred to? What are they about? Protection of consumers and therefore of users (laws under making, norms, research in process)? What are the chosen orientations (health...)?
- What are for each country, the arbitration authorities on this question? What are their real powers?
- What are the regulations to come in term of geographical listing?
Procedures:
- The regulations
- The health protection
- Geographical listing and regulations.

Results of the first stage of the research:

3.1 The Regulations

Concerning laws and regulations, we must notice that in all the member states, it is the European law, which is the authority, except special cases.

Therefore for the on-line advertising being a matter of electronic marketing in term of private international law, the text of reference is the Brussels Convention of December 27th 1968, which has been recently replaced by the regulation of the Council of December 22nd 2000. This regulation is very precise and concerns all the on-line transactions and more specifically on-line advertising no matter its medium as well as the consumer protection. It is in place since March 1st 2002 and directly applies to all the member states of the community, except for Denmark, which did not subscribe to this regulation (which could be a problem for the advertising coming from other member states to this state).

In which case, we are going to see in a first point the consumer's protection in the on-line transaction (in the case of advertising on mobile phones) and in a second point the other regulations related to the protection of the health of the consumers who use mobile phones.

3.2 The Consumer's Protection

According to Thibault VERBIEST, Lawyer at the Bar of Brussels and of Paris, Senior lecturer at the University of Liege, the protection of the consumer depends on the fact of being a professional or not.

This distinction is necessary since the non-professional consumer is less informed than the professional one and therefore, he must be better protected.

In both cases the major problem is the identification of the competent tribunal to enquire the contentious question between both sides:

- In the article 2 of the regulation, the territory of the habitation of the defendant determines the general competence of the tribunal.

- The article 5 al.1 gives competence to the tribunal of the place where the obligation had been or must be executed.

However, the parties may derogate to these principles by agreeing to an attributive clause of competence, but under the restriction of a specific protection created for the consumers' benefit. In the case of a contentious question between a non-professional consumer and a professional one, the competent tribunal is the one of the habitation of the consumer, except if this one makes another decision since he has freedom of choice, but this freedom cannot have as a result to deprive him from the protection given by the law disposition of his country of residence.

REFERENCES :
www.journaldunet.com
www.juriscom.net

3.3 The Protection of Health

A distinction must be made between the use of telephone and the content of the advertisings in question.

The use of the telephone
For the time being, there are no text concerning the protection of health because the effects of the frequency transmitted by mobile phones are not clearly established and their consequences on health not enough understood to justify a limitation of the exposure to frequency field of low intensity. Nevertheless, the European Union according to the website www.caducee.net, recommends to the manufacturers of mobile phones releasing such effects to be "cautious".
Other regulations, especially in France; the article R 3-1 of the Highway Code forbids the use of mobile on hand while driving. But for other member states that we are concerned with no regulations exist in this area. In Ireland, there is only for the time being a consciousness-raising campaign.

The content of advertising
Here, everything depends on the different regulations of the member states that are free to establish laws, but without prejudice to European laws, which are these of free provision of services in the Community. It is how misleading advertising is repressed in France as well as

in other states, but the problem is how to localize where the advertising is from. That's why there is a necessity for harmonization in this area.

Besides, we should not disregard the works (and debates) of the members of European Parliament which could enlighten future regulations, as for example the debate of the previous government on the protection of individual vulnerable to advertising (according to the website www.multimania.com/corruptn/)

REFERENCES :
www.globenet.org
www.clcv-org.ac.psiweb.com
www.securiteroutiere.gouv.fr
www.sante.gouv.fr
Science & Vie n°949

3.4 Geographical Listing and Regulation

The geographical localization determines the geographical position with the intention of delivering information to the consumer regarding to the place he is at the moment of his request.

The evolution of technologies enables to offer different types of access for consumers. To monitor different technological aspects to come or used currently (standardization project, API) may have an influence on the type of mobile phones and therefore on consumption.

-news.zdnet.fr Technology and monitoring of geographical localization, regulation and telephony
-Mediaveille.com: Website on marketing intelligence: information on geographical localisation
-Premier-ministre.gouv.fr: Area of town and country planning policies and mobile telephony.

The geographical localization in term of regulation applies on all the country of EU. (Cf: previous point on the protection of consumers).

- IT law and freedom of 1978
- The directive n°95/46/CE of European Parliament and Council of October 24th 1995
- The directive n° 2002/58/CE of European Parliament and council of July 12th 2002
-Senat.fr articles and regulation
-Svp.be/news/b_flash.cfm regulation
-news.zdnet.fr   Webraska : regulation and companies in mobile telephony
-news.zdnet.fr private data: European Union being late on the citizen's rights

The monitoring of the mobile phone companies

In France the three companies offered their services of geographical localization: Orange launched in June 2002 "close at hand", SFR "the localized guide" and Bouygues Telecom: "City desire".

In Ireland, Vodafone launched a WAP service.

In France there are not yet studies on the impact of geographical localization (NB: in the USA, there isn't yet any law or federal regulation). In the European Union, the tendency is to authorize the justice to have access to the logs of connections of the electronic mailing.

That is to say that from a point of view of regulation, the justice may have access to information but there isn't yet any regulation in mobile phones market concerning geographical localization.