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Teens to get free mobile calls - with a catch

- Users of new service will receive adverts on phones
- Start-up firm Blyk close to signing deal with Orange

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This summer, Britain's teenagers will be able to stop badgering their parents to pay off their mobile phone bills, with the launch of a new service that offers free calls and texts provided users are willing to receive adverts on their phones.

Blyk, a start-up run by the former president of the Finnish mobile firm Nokia, will today announce it has signed deals with advertisers including Coca-Cola, L'Oréal and Buena Vista, part of the Disney media empire, as it works up to a summer launch in the UK.

Blyk, which is aiming for the 16- to 24-year-old market, is also understood to be close to a deal with mobile phone operator Orange to run the service over its network. Orange refused to comment, saying only that it was always on the lookout for partners.

Advertisers are starting to look at mobiles as a useful medium. Google is experimenting with mobile search advertising, tying up partnerships with several operators. In the US, Virgin Mobile has launched Sugar Mama, which gives customers free airtime if they agree to watch adverts and give feedback. Also in the US, Xero Mobile is testing an ad-funded service aimed at college students.

The fact that members of the crucial 16- to 24-year-old market have wholeheartedly embraced mobile phones makes the small screen an even more attractive platform. Advertisers are finding it increasingly difficult to interact with the teenage and early 20s audience because their media habits have migrated so quickly online. Their taste for social interaction has made sites such as MySpace, Facebook and YouTube some of the most visited on the internet, but advertising spending has been slow to move into this new space. While there have been many successful online campaigns - especially using video and "viral" techniques which rely on internet users disseminating content containing a brand message - spending on internet advertising represents a fraction of the amount spent on TV and print media.

Blyk's co-founder and chief executive, Pekka Ala-Pietila, believes mobile advertising will help bridge that digital divide. "The range of products that we have developed allows us to serve a big diversity of clients, from running global brand awareness campaigns through to very specific local campaigns."

But advertisers will have to be careful not to annoy their new users with the mobile equivalent of spam email. People signing up for the Blyk service will be asked to give details of their likes and dislikes. Although there is no billing relationship with the customer, there will be regular interaction through questionnaires and other response mechanisms. "We will collect the profiles of the young consumers, or members as we call them, who use the service to find out their areas of interest," Mr Ala-Pietila said. "By understanding the preferences of our customers, advertisers will be able to create very relevant campaigns."

Orange has been running adverts on its Orange World portal since September last year and early indications are that consumers are willing to interact with brands through their phones. It carried adverts from companies including Cadbury's, Microsoft - for its Xbox games console - and Jaguar. Some of the adverts let customers download free content such as games, wallpapers and video.

In a survey of a thousand users, Orange found that up to 23% had purchased or were more likely to purchase the product advertised and more than half said they would be happy to see more advertising on their mobiles. That compares to a ratio of just one in ten for advertising on TV. Less than 6% of those surveyed said they disliked advertising on mobile phones. "The response from our customers has shown more than just an acceptance of mobile advertising, there's actually a real appetite for it," said Orange's head of third party services, Steve Ricketts.

The adverts on Blyk are likely to run the full range from videos and interactive content aimed at top-end phones, to text and voice services for cheaper handsets.

As well as big-name brands, Blyk will also announce today that it has signed up mobile gaming group I-Play. "Blyk provides visibility on who and when people are playing mobile games, information which the industry has been sorely in need of," said chief executive officer David Gosen.

Recruitment service StepStone has also signed up with Blyk, as has the digital arm of Yell, owner of Yellow Pages, opening up the possibility of location-based advertising services.

Exactly how users will be able to receive the service and how all the adverts will look is still a closely guarded secret, but Mr Ala-Pietila suggested customers might be able to use their own phones rather than having to buy a new handset, if they want to join.

A fine line between informing and boring

Giving companies more opportunities to bombard people with ads and special offers may sound an unattractive proposition to anyone over the age of 30 but Blyk is targeted at a **younger audience** who often rely on their parents to finance their mobile phone habits. Those in this younger age group have grown up with **advert-supported free services** such as MySpace and Bebo on the internet. They appear much more willing to accept the **trade-off** between putting up with marketing and getting something for nothing. Whether their parents like it or not, they are also **heavy mobile phone users**, reliant on pre-pay tariffs to text and call their mates.

Peju Obasa, 14, from Stratford, east London, said she would definitely be interested in the service because it was free and if the adverts were well targeted they could even be useful. But she warned that big brands using the service would have to make sure their adverts did not become too **intrusive**. "If there is too much advertising it may get boring," she said. "The advantage is that you get to find out about new things and the disadvantage is that it could eventually get annoying."

She said her family would probably allow her to use the service as it would mean she no longer had to ask them for money to **top up** her phone. "My parents would be relieved that they don't have to give me money for credit," she said. She said she expected many in her peer group to be interested in the service for the same reason.

Amina Sheta, 15, from Leyton, east London, however, said she would probably not use the service "because **I don't trust them**", betraying a healthy cynicism about big business. "But I do think it would be popular" among her school friends, she added, because it was free.

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