



Mobile Monday Tokyo



Meeting China

13th November, 2006



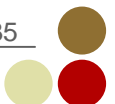
Plus Eight Star Ltd.

Mobile & Internet Business Consulting
China, Japan & South Korea

www.plus8star.com



- Benjamin Joffe / 本杰明
 - 4 years in Tokyo
 - 1 year in Seoul
 - 2 years in Beijing
- Co-Founder – Mobile Monday Beijing
 - www.mobilemonday.cn
- CEO – Plus Eight Star Ltd [+8*]
 - Mobile & Internet Business Consulting in China, Japan & South Korea
 - www.plus8star.com
- Published Report
 - 180+ slides on the best practices of the world's most advanced online community
 - www.insidecyworld.com





1. Overview



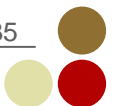
Population

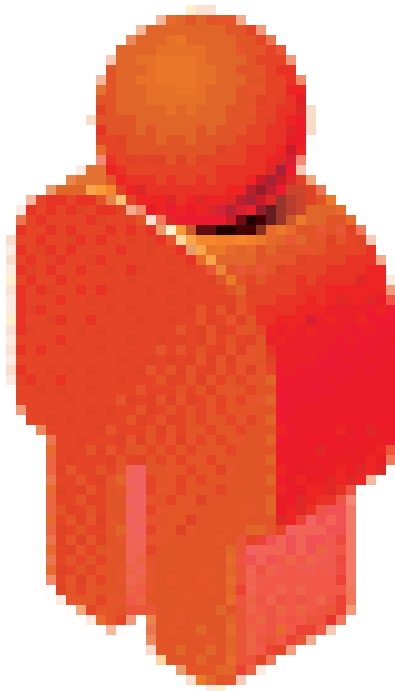


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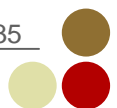




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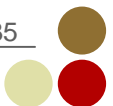


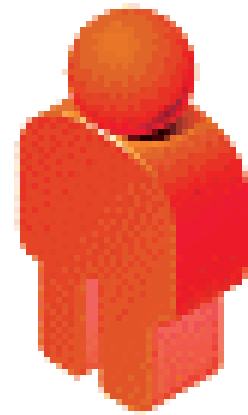
Mobile users



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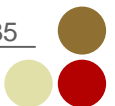




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Data ARPU share

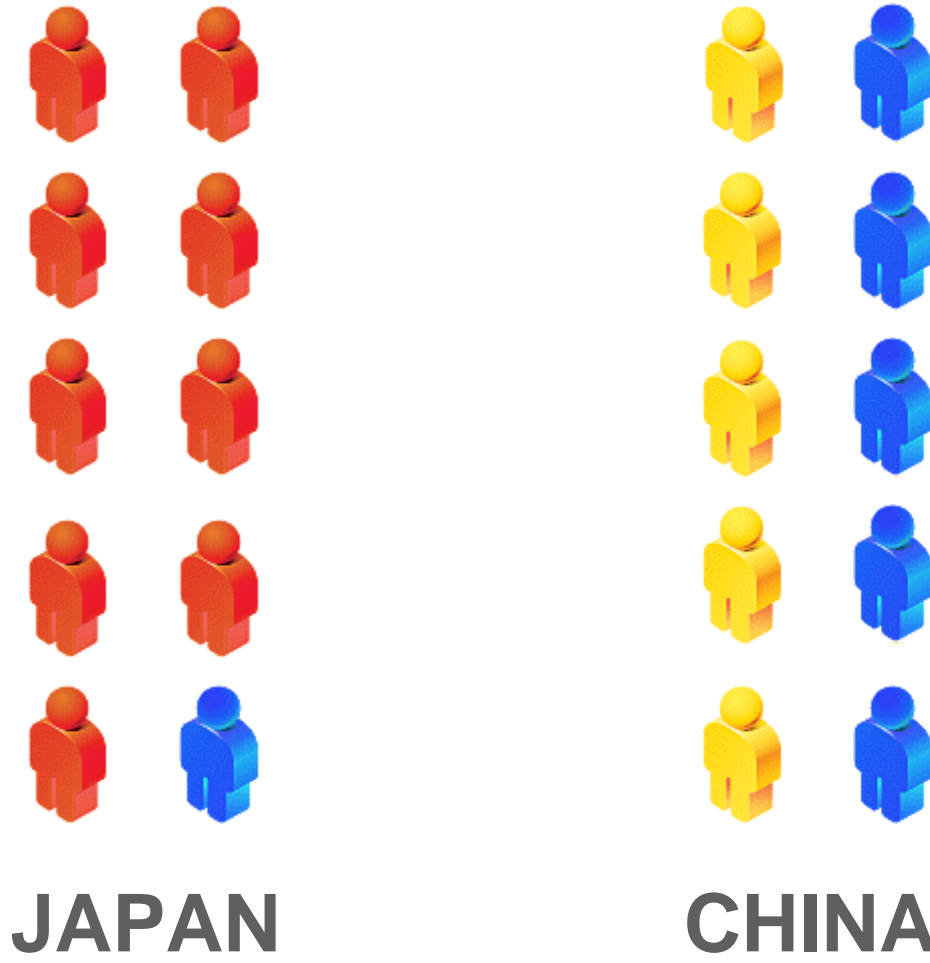


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Share of messaging in data ARPU





2. Operators



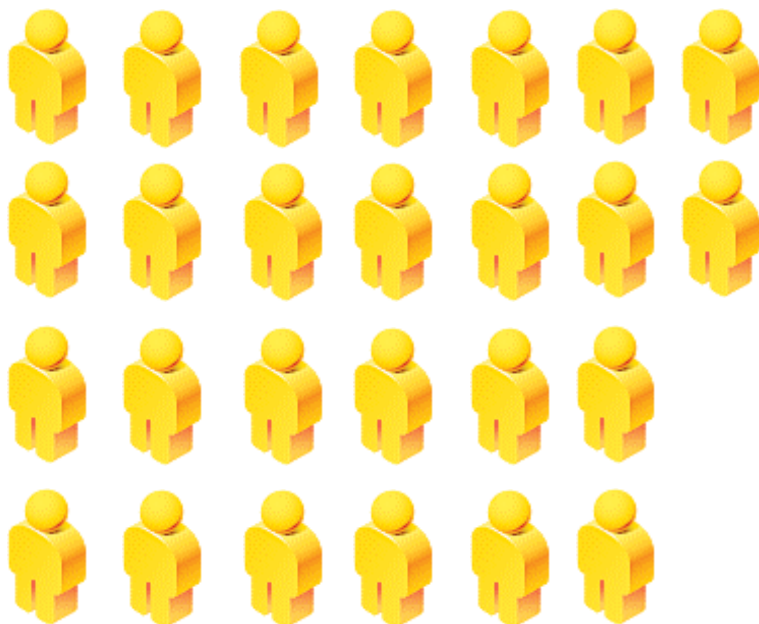
Telecom Operators



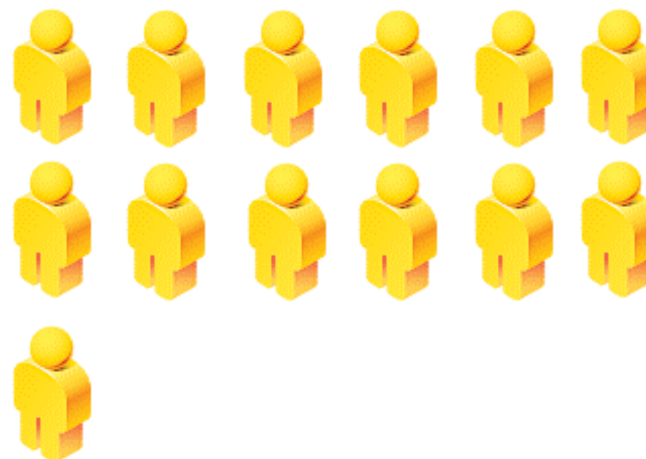
Mobile Subscribers



261m



132m



60m



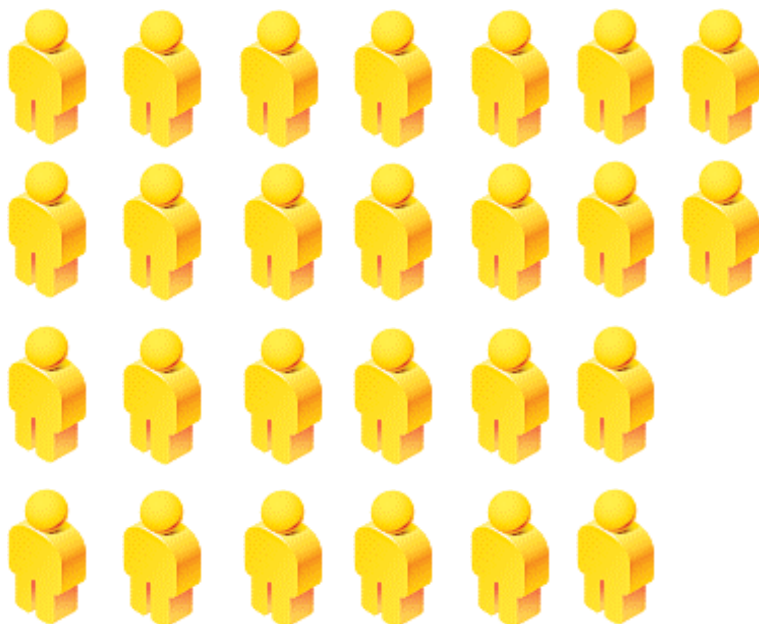
29m



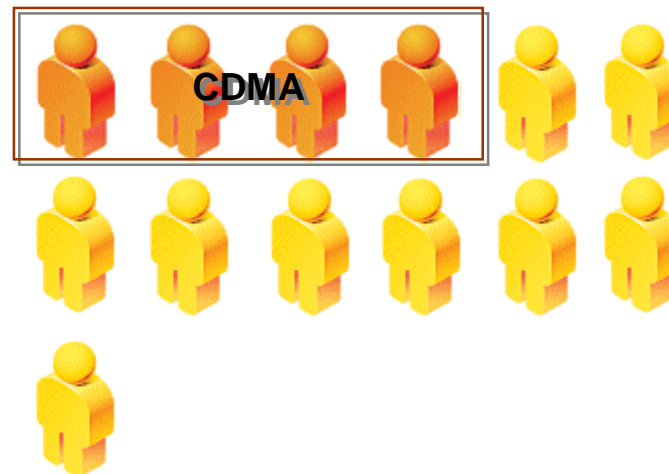
Mobile Subscribers



261m



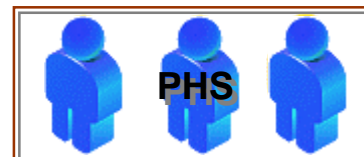
132m



60m

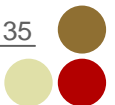


29m





- Operators are state-owned
- No rush and long-term view
- 3G will happen but technological choices still unclear
- Foreign operators taking positions but with little visibility





3. Handsets

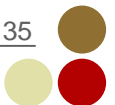




- Manufacturer
 - Eastcom (东方通信股份有限公司 / Dongxin / 东信)
- Specifications
 - Apple green shell
 - Color screen
 - SMS
 - WAP
 - No camera
 - No Java
 - (inflatable battery)



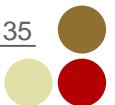
My Phone



Why this phone?



- Lots of other choices
- Foreign manufacturers
 - Nokia
 - Motorola (Razr)
 - Sony-Ericsson (Walkman)
 - Samsung
 - LG (Chocolate)
 - All made in China!
- Local Manufacturers
 - TCL
 - Bird
 - Lenovo
 - Amoi
 - (and a few dozens)
- But if the shape looks similar, it does not totally taste like the original

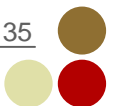
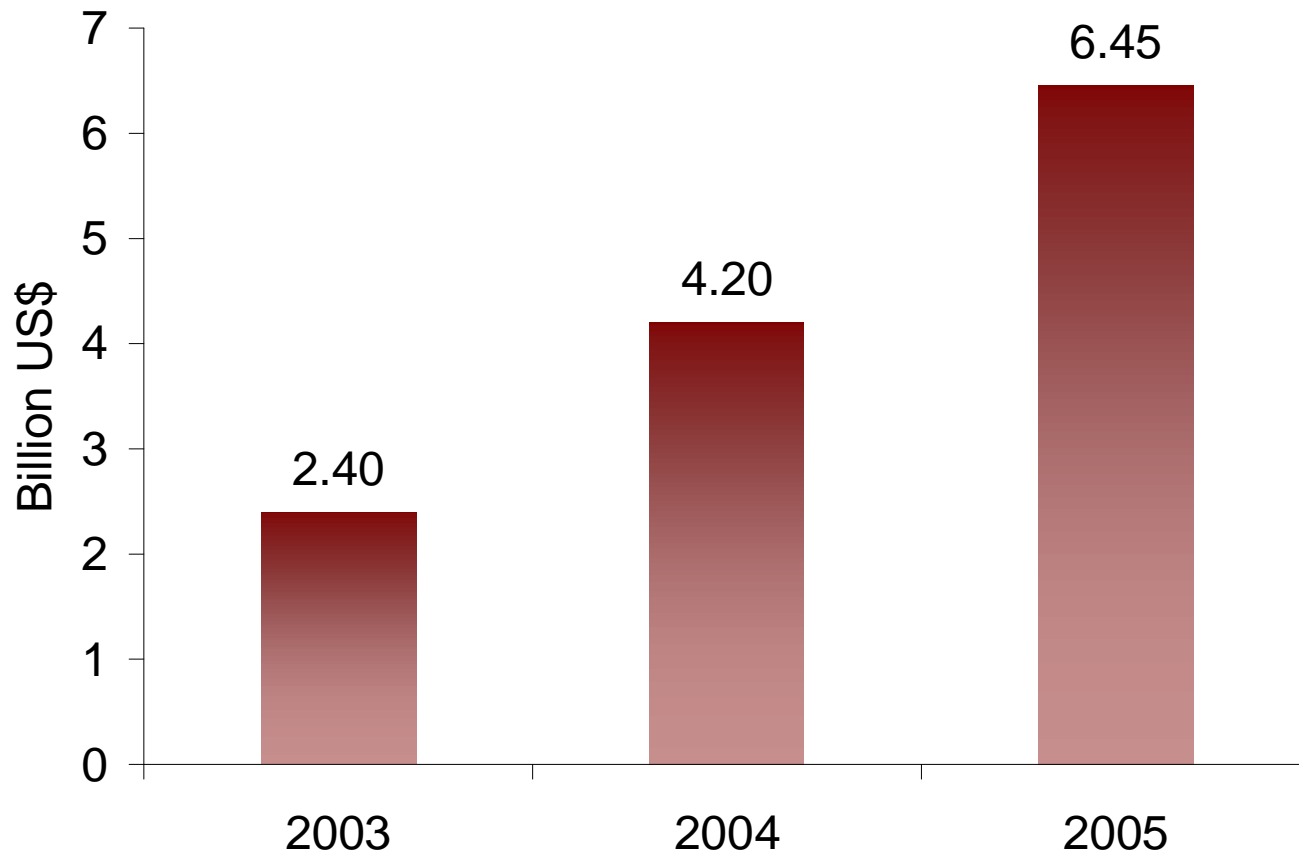




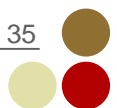
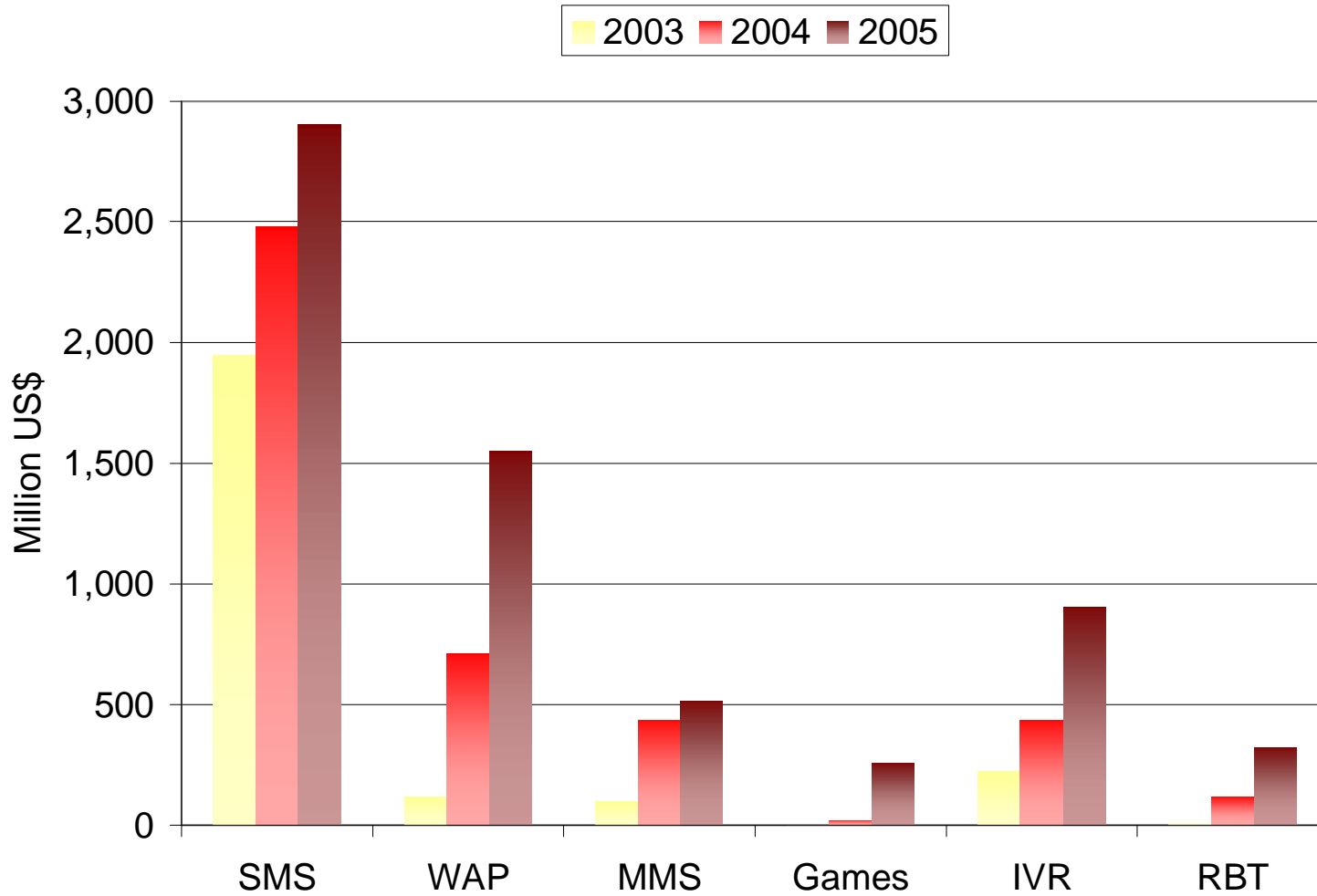
4. Contents



Mobile Content Market (WVAS)



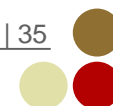
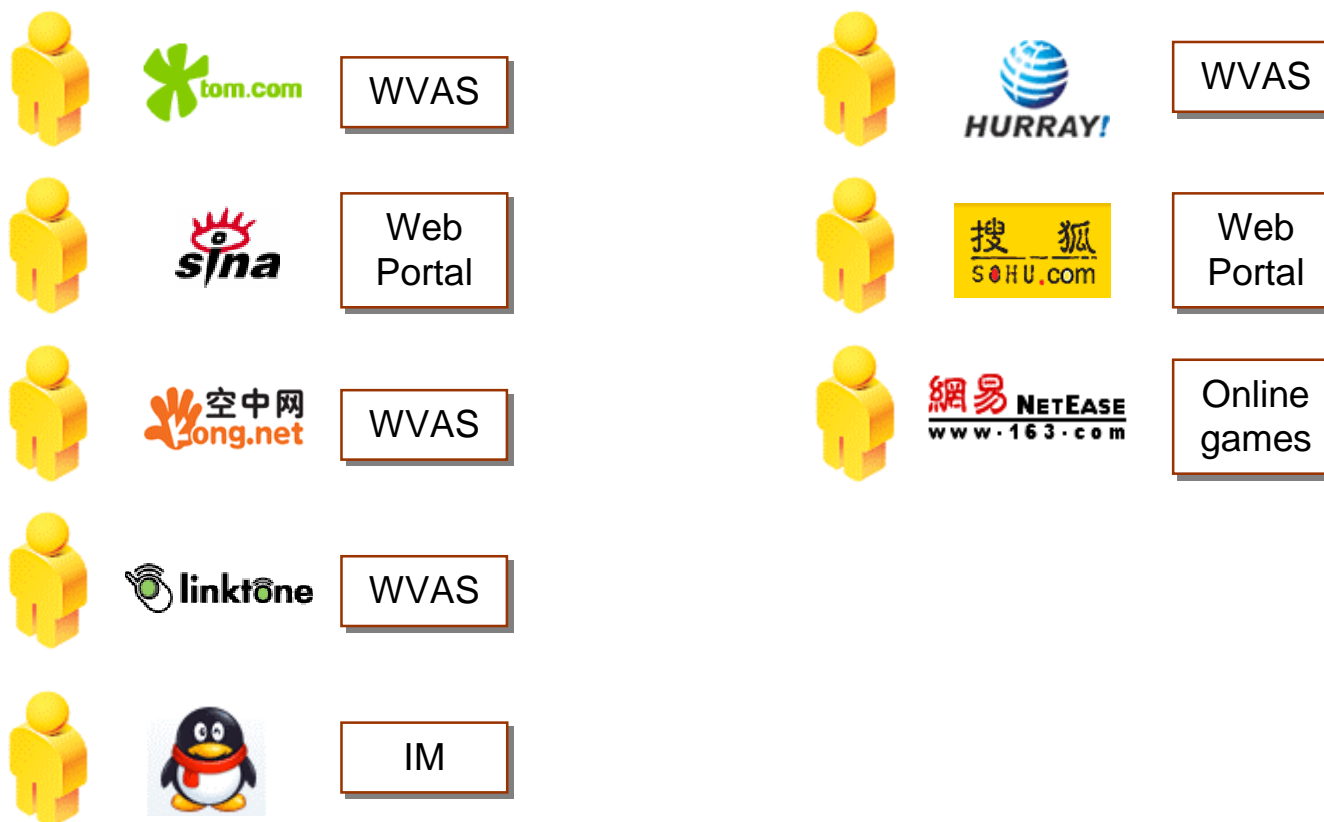
Content Market by Category



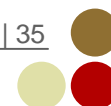
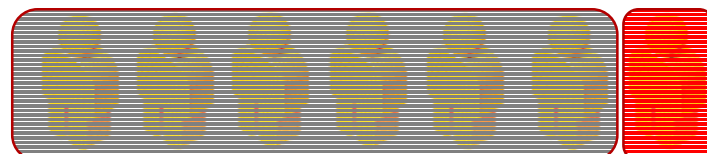
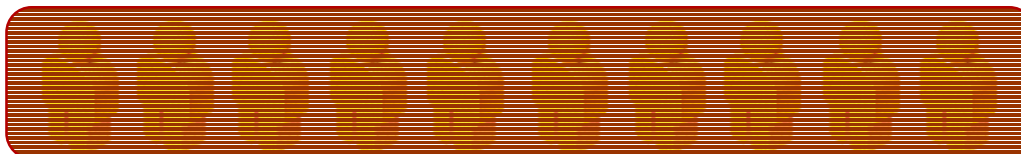
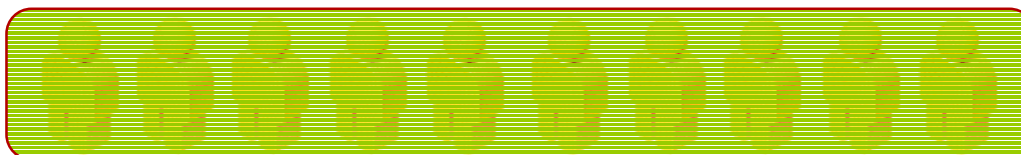
Major (and listed) CPs



- 8 major players
- 20,000 minor CPs...



Total: US\$ 572 million in 2005 by 8 major CPs



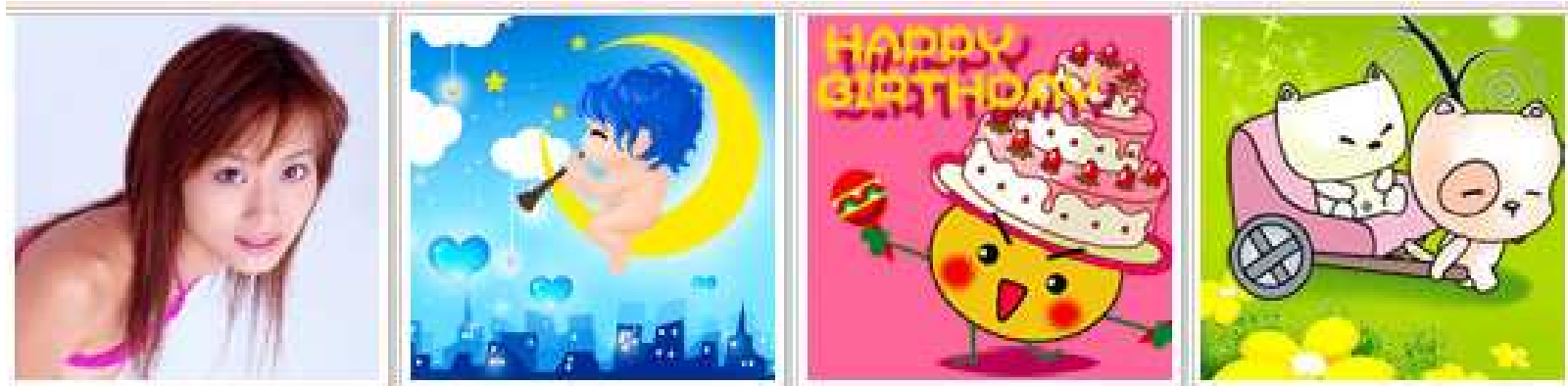


5. Mobile Gold Rush?

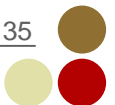




- Difficult to differentiate as content is low-tech and commoditized



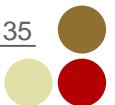
- Operators tightening their control over the value chain and releasing their own services
- Government sanitizing the sector from unscrupulous CPs abuse (spam, double charging users, etc.)



Exit Strategies



- Several listed on NASDAQ
- Investment by foreign companies still restricted but ways around
 - BVI / Caiman Islands holding companies w/ exclusive agreements, etc.
- Market still difficult to navigate for foreign investors
 - Several casualties along the way
- Too many players leading to market consolidation





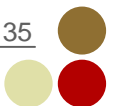
6. Next Steps



CPs Forced to Innovate!



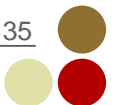
- New revenue streams
- New business models



Example 1: Interactive TV



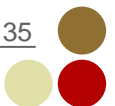
- 'Chinese Idol' SuperGirl show
- 20 million SMS votes
- US\$ 300 million sales boost for the main sponsor



Example 2: Internet Stars



- Yang Chengang, 26 y.o. music teacher from Hubei province
- 100 million Internet DL for his 'Mice Love Rice' song
- Picked by a record label
 - 6 million RBT in one month at peak (~700,000 CDs)
 - iTunes Global Top 10
 - > US\$ 20 million in license fees



Example 3: Online and Mobile Communities



- Pica mobile IM
 - Compatible with QQ (China's leading IM) and MSN



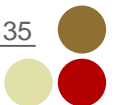
But to learn the best on online communities



- Get our published report on Cyworld, the world's most advanced online community ;-)



www.insidecyworld.com

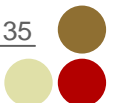




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“ Sometimes the most direct route to innovation is to look abroad and translate what you find ”

Tom Kelley
General Manager of IDEO
Author of [The Art of Innovation](#)

“ After spending seven years in China, Japan and South Korea dealing with Internet, telecom and consulting, I realized that in addition to the language barrier, limited media coverage, clichés and worldviews were getting in the way of foreign benefiting from the tremendous amount of innovation taking place there. ”

“ +8* was founded with a focus on bringing cross-market and cross-cultural expertise on *what works* in advanced mobile and Internet markets to companies who want to innovate in their home market or successfully connect with local players. ”

Benjamin Joffe
Founder and CEO, +8*

+8* : What's in a name?

- We focus on mobile and Internet in Japan (+81), South Korea (+82) and China (+86)
- Our name is local everywhere:
 - Japanese: 加八星株式会社
 - Korean: 가팔별주식회사
 - Chinese: 加八星有限公司
- In Asia, the number 8 is associated with good fortune, and we bring lots of it!



About Us



The company

- [+8*] (Plus Eight Star Ltd.) is a consulting boutique operating since February 2005 from Beijing, China

Our focus

- Strategic consulting on best practices in mobile and Internet services in China, Japan and South Korea

Our services

- Provide strategic analysis to operators & content providers to anticipate their markets
- Bring best practices in business models, service design and marketing to Internet and mobile companies to accelerate their business
- Other services: M&A advisory, market entry, partners identification, negotiation support

Local expertise and global perspective

- Multicultural team to cover the three markets
- Knowledge of local mobile and internet industries
- Large network of contacts
- Hands-on experience with local companies
- Cross-market and cross-cultural awareness

Co-Founder & Organizer of Mobile Monday Beijing

- Leading Information and networking event in Beijing
- 6 sessions up to October 2006
- 800+ participants, 18 presentations
- www.mobilemonday.cn

Founder and CEO: Benjamin Joffe

- Experience with operators, content providers & consulting
- 7 years in Japan, Korea and China

Tel: +86 1371 880 3321 :: Skype: benjamin0123





Thank you!