

# Mobile Operator Perspective

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# Cellular South

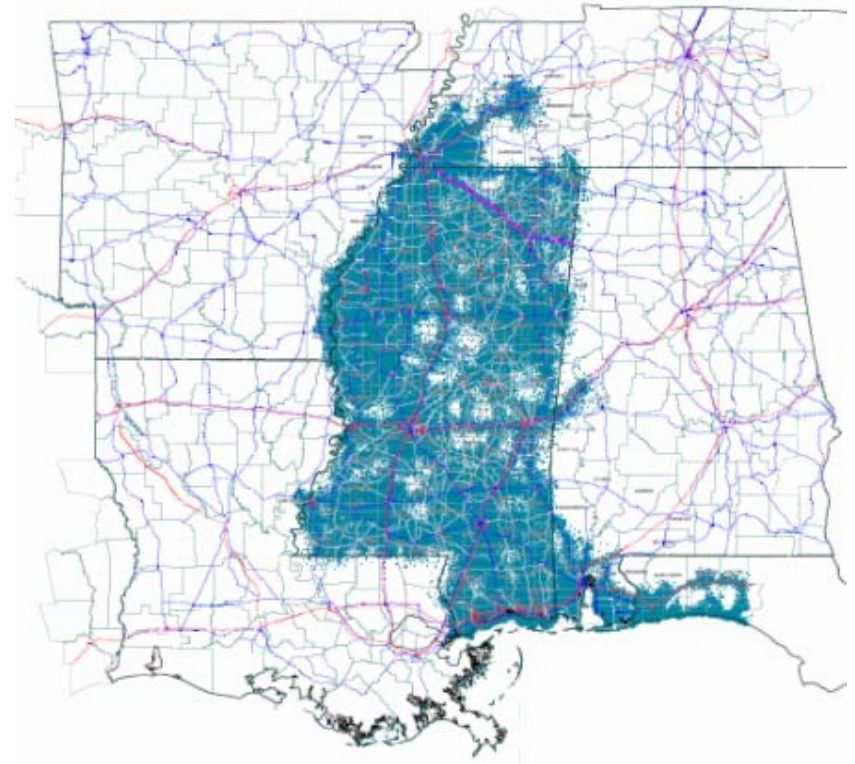
- Founded in 1988
- Based in Mid-South
  - Headquarters in Jackson, Miss.
- CDMA Technology
- Company-Owned Network
- Company-Owned Retail Stores



# Home Service Territory

## Population Centers

- Key Markets
  - Memphis, TN
  - Jackson, MS
  - Mobile, AL
  - Gulfport/Biloxi, MS
  - Tupelo, MS
  - Destin, FL
  - Pascagoula, MS
- Nationwide Coverage



# Cellular South 2007 NFC Trial



# Trial Overview

- Consumer Trial
  - 100 consumers
  - Jackson and Memphis
  - April - Sept 2007
  - Two Handset Models Tested
  - ViVOtech Payment Application
  - ViVOtech Merchant Readers
  - Consumer Card Accounts



# Multiple Reader Types Tested



# Key Findings

- Security perceptions very different before and after trial.
  - Before, very wary of security.
  - After, 78% agreed that card on phone was more secure than a plastic card.
- Majority saw this form of payment as faster than traditional payment methods.
- Huge desire to see membership cards as part of wallet.

# Key Findings

- Over 75% said the technology will make life easier.
- Users generally not willing to pay a recurring service fee nor a transaction fee.
- Some willingness to pay a small one-time download fee for the card.
- Clear expectation that service must work with any bank and any handset.

# Mobile Operator Value Proposition



# Mobile Operator Value Proposition

- Comprehensive M-Commerce “Wallet” is Key to Revenue Model
  - NFC +
  - Banking
  - Coupons
  - Advertising
  - In-Wallet “Mall”
  - Ticketing
  - Membership Cards

# Mobile Operator Value Proposition

- Specific Wallet Revenue Opportunities
  - Advertising Revenue Share
  - Commissions from Merchants on “Mall” Purchases
  - Banking Revenue Share
  - Convenience Fees
    - Mobile Ticketing
    - NFC Card Download Convenience Fees (potential)
  - Portal to Communicate Special Offers from Carrier
- Delivers Simple, Relevant Service that Draws New Consumers.