



The Naked Truth

Mobile Erotica after Age Verification - Part 1

07 August 2005

Despite a somewhat shaky and hesitant beginning, the mobile erotic and adult sector is really starting to live up to its hype! In my personal opinion, we have been running on luck more than anything else up until now, mainly thanks to the novelty of being able to see a pair of naked breasts on your phone. It seemed that if this was all 'Mr. Adult Consumer' could get his hands on, then it would just have to do! Let's face it, actually managing to locate good quality, regulated and entertaining mobile *adult* content has been a bit of challenge in the last couple of years. Operators wouldn't touch with a barge-pole and were sticking purely to your Pammies and Abbys in bikinis. Off-portal, if you actually managed to find your way out of your operator walled garden, *then* find Bango.net, *then* register and verify, you could enjoy a very small selection of professional, consumer focused adult sites, such as PhoneErotica, Cherrysauce, xPhun, and Mr. Badger. Apart for this sprinkling of professional adult entertainment on the move, there wasn't much to entice this new mobile consumer to spend his dosh. However, against the odds, and with pretty basic handsets, 'luck' earned the mobile erotic sector over \$400 million in 2004, which in any commercial mind, **MUST** demonstrate demand and potential!

Now, half way through 2005, Our adult consumer is savvier, more discerning and has a much better handset, so the question is – how do we improve to meet his expectations?

Through Cherrysauce's different experiences between its direct to consumer portal and white-label-B2B product licensing, we have really seen how understanding the erotic consumer and implementing targeted adult strategies really affect volumes, loyalty and sales. Like I always say to our partners, I am ever increasingly convinced that my business is more about human psychology than naked flesh.

So to this end, over the next couple of weeks I would like to share some findings that have come out of our business activities over the last 6 months. Some may seem obvious, but are often overlooked and others you may not agree with. However, please keep in mind they have arisen out of our day to day experiences as one of the few companies whose sole business model is commercial erotica for mobiles.

A bit more sauce please!:

I think most of us have come to agree that without being able to accurately identify a user as over 18, we should refrain from any smutty behaviour on mobile and instead, stick with suggestive and flirty bikini-clad babes – Gorgeous, tanned and toned bodies, but nothing exposed that our mothers would disapprove of. However, having successfully integrated age verification across most networks in the UK, one would assume that operators, aggregators and content providers alike would really be taking adult content out for a spin to see if the hype and speculation were founded? Thus, hopefully leaving us all in a sunny glow of increased ARPU, customer loyalty, targeted up-sell and of course, lots of money. Instead, what we have seen is a continued trepidation towards naked flesh, leaving the verified consumer short changed.

Think about it, he has handed over his personal details, in many cases his credit card details and in effect, admitted openly to the world that he would like to look at some smut. Believing

that his moment of embarrassment will give him access to a plethora of nakedness and naughtiness, he then goes in search for his sexual fantasies and preferences. However, on crossing over to the 'other side', what he actually finds is not much more than 'mid-shelf' nudity.

With the sheer number of people 'opting in' (I have been told by other industry players that Vodafone UK has seen around 1 million opt-ins so far), we must be able to see the demand for something a little saucier! I don't think anyone would believe that users hand over their personal details just to see their topless model with her knickers removed as well. Any healthy adult male will be expecting a little more for his sacrifice!

In our own portal we are seeing that once users age-verify, they hardly ever go back and purchase soft content again. They have made the leap and fully intend to make the most of it. It makes sense of course, Mr. Adult Consumer has proved he is over 18, so he wants to see +18 content and based on the movie industry specification +18 means sex! If what he actually ends up with is access to nude girls, I would imagine that he is left feeling a little disillusioned.

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