

SingTel-owned US mobile ad firm looks to Asia

April 25 2012



Visitors walk past an advertisement billboard for mobile phones in Taipei in February 2012. The chief executive of Amobee, the US mobile advertising start-up recently acquired by Singapore Telecom (SingTel), said Wednesday the company is set to aggressively expand its Asian operations.

The chief executive of Amobee, the US mobile advertising start-up recently acquired by Singapore Telecom (SingTel), said Wednesday the company is set to aggressively expand its Asian operations.

Trevor Healy told reporters in Singapore the California-based company will ride on SingTel's more than 400 million mobile subscriber base across Asia to boost its business.

Amobee was fully acquired by Singtel -- Southeast Asia's biggest telecom firm by revenue -- in a \$321 million deal last month.

SingTel had said its 100 percent buyout of Amobee would boost mobile ad sales in India, Thailand, the Philippines, Indonesia, Bangladesh and Pakistan, where it has large affiliates.

"The indicators are that Asia will be a really strong market... I would think that we are going to have more traction in Asia than in the US just by our contacts here," Healy said at a media event.

Amobee's US-based clients include technology giants [Google](#), Skype, Microsoft and [eBay](#).

"The most interesting thing in Asia is that a lot of the the younger population have skipped the Internet generation, they are a 100 percent mobile. The device that they are most comfortable with is the mobile phone or a tablet," he added.

Revenue from Asia make up only 20 percent of the company's current revenues, but Healy said he expected it to rise to a third within a year.

"In Asia every single market is different, which is a great opportunity from a pitching perspective because you can pitch your company to so many different types of companies," he said.

He also rebuffed critics' charge that technology start-ups were being acquired at a significantly inflated price, and that a new tech-bubble could be forming.

SingTel's \$321 million all-cash deal for Amobee -- which had unaudited net assets worth only \$600,000 as of November -- had raised eyebrows in Singapore.

This month, some analysts also questioned whether the \$1 billion [Facebook](#) paid for photo-sharing service Instagram was too steep.

"It's a whole different ball game," said Healy, adding that the "brick and mortar philosophy" of solely assessing asset bases, profitability and earnings cannot apply when pricing technology start-ups.

"You are investing in the people, the technology... there is no business model," he said.

Under the deal with SingTel, Amobee's management will remain in control of the company.

In acquiring Amobee, SingTel cited data from technology research firm Gartner showing that global mobile ad market is likely to exceed \$20 billion by 2015 from about \$7.0 billion this year, with 35 percent of it generated in the Asia-Pacific.

(c) 2012 AFP

Citation: SingTel-owned US mobile ad firm looks to Asia (2012, April 25) retrieved 16 July 2024 from <https://phys.org/news/2012-04-singtel-owned-mobile-ad-firm-asia.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.