How do you compare with mobile leaders?

Adobe Mobile Marketing Survey

How do you compare with mobile leaders?

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Introduction

With the explosive growth in smartphone and tablet usage over the past five years, most marketers have developed strategies to engage customers via mobile channels. In this Adobe survey, we found that more experienced mobile marketers have learned to reach customers across devices and platforms and adapt their mobile investments as they mature.

In this research, we analyzed and benchmarked best practices among mobile marketers, from "experts" in the field (17% of respondents classified themselves as experts) to more recent arrivals. These professionals work in a variety of industries—media and entertainment, retail and commerce, financial services, and B2B high-tech—and perform mobile marketing activities on a regular basis. The survey offers a big-picture view of the investments in mobile by leading marketers—and what it will take to stay on top. Read on and find out where you stand.
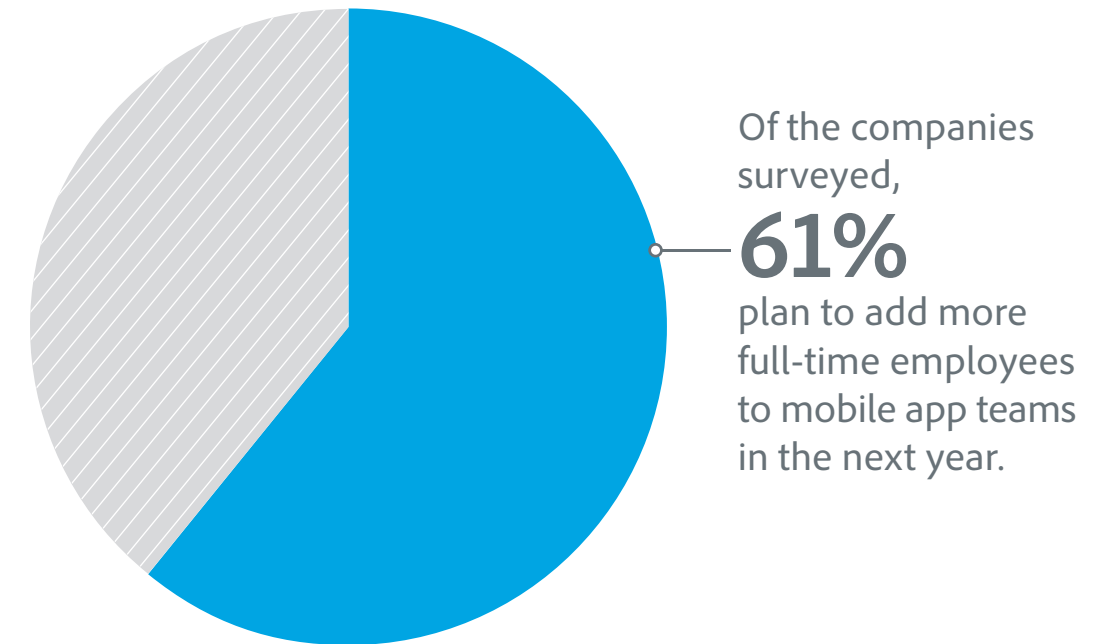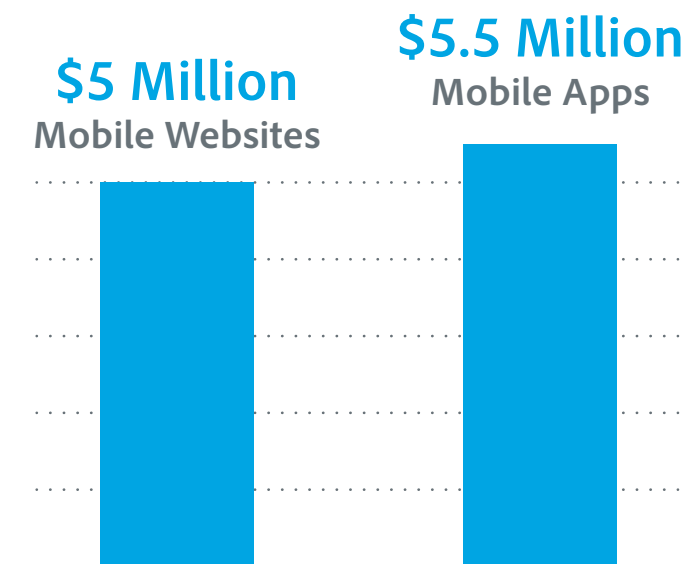
86% OF MOBILE MARKETERS say that mobile channels are extremely or very important to their marketing strategy.

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Summary of insights

From the survey, we gleaned the following key insights.

· **Investments:** Mobile marketers are investing aggressively in building mobile apps and websites. For mobile web, investments are split between responsive websites and designs that are appropriate for a smartphone or tablet.

· **Mobile teams:** Most companies that we surveyed have a dedicated mobile app team, and these teams are growing fast.

· **User Acquisition:** Mobile marketers use paid media to drive consumers to download mobile apps, but they use a mix of paid, earned, and owned media to bring traffic to mobile websites.

· **Mobile Leaders:** Experienced mobile marketers measure, test, and optimize more than those who are just getting started. Three-quarters of mobile marketers measure app engagement over time, typically on a weekly basis. More than half optimize conversions with A/B testing.

Mobile marketers' average annual spend

$5 Million
Mobile Websites

$5.5 Million
Mobile Apps

Of the companies surveyed,
61%
plan to add more full-time employees to mobile app teams in the next year.

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Marketing owns mobile

Half of the respondents said that the marketing group leads the mobile app strategy at their company. Other groups that claim ownership include advertising (25%), media (25%), and IT (18%).

Marketers who own the mobile strategy need to lead the discussion about which experiences to provide to customers and how to invest in people, processes, and technology to deliver a great mobile experience.

Groups that own the mobile app strategy

Marketing	50%
Advertising	25%
Media	25%
IT	18%
Product management	15%
Digital	15%
Sales	14%
Strategic planning	12%
E-commerce	10%
Brand/product planning	10%
Account management	7%
Consulting	5%

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A mobile strategy is a must-have in 2014

Mobile marketing is past the early adopter stage. Fewer than 4% of companies do not have a strategy for mobile, and 98% consider mobile at least somewhat important to their marketing strategy.

Those with more experience in mobile have a stronger appreciation for a mobile strategy. 55% of expert mobile marketers said that a mobile strategy was extremely important. In contrast, only 29% of the respondents with less experience agreed with this perspective.

55%
of expert mobile marketers say that a mobile strategy is extremely important.

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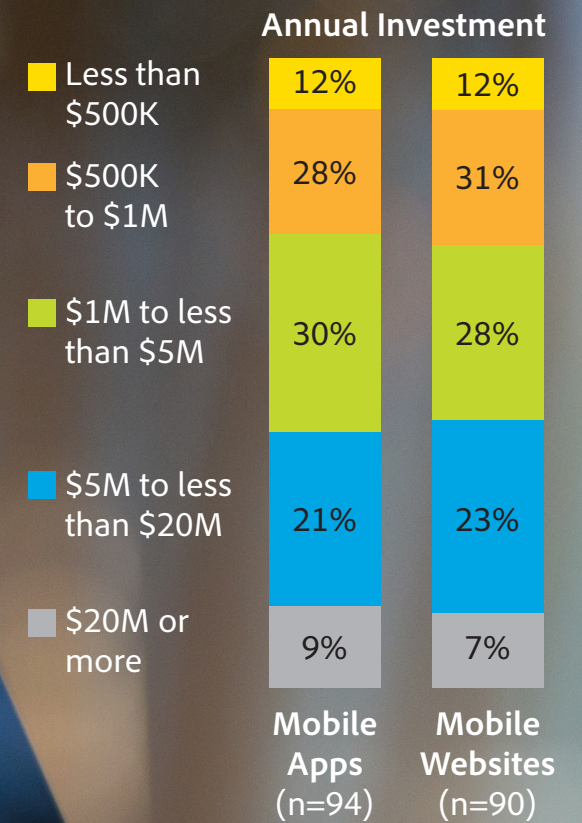
4

Dual investment priorities: apps and mobile web

The average consumer reaches out to a brand across multiple touchpoints, even in mobile, where they might use a tablet at home and a smartphone on the go. To keep up with these multidevice consumers, companies are spreading their investments between apps and mobile websites.

Apps are typically used to drive engagement with loyal customers who are willing to download a branded app in exchange for value and utility. In contrast, companies can use mobile websites to engage with new visitors who have discovered their brand via search, display, video, or social media.

On average, mobile marketers spend $5.5 million per year on mobile apps and $4.9 million on mobile websites. These major investments show that many organizations are no longer treating mobile as an experiment or test, but rather as a set of channels for engaging and monetizing a customer relationship.

Annual Investment

	Mobile Apps (n=94)	Mobile Websites (n=90)
Less than $500K	12%	12%
$500K to $1M	28%	31%
$1M to less than $5M	30%	28%
$5M to less than $20M	21%	23%
$20M or more	9%	7%

30% OF MOBILE MARKETERS spend more than **$5 million** per year on apps and websites.

9% spend more than **$20 million** per year on mobile apps.
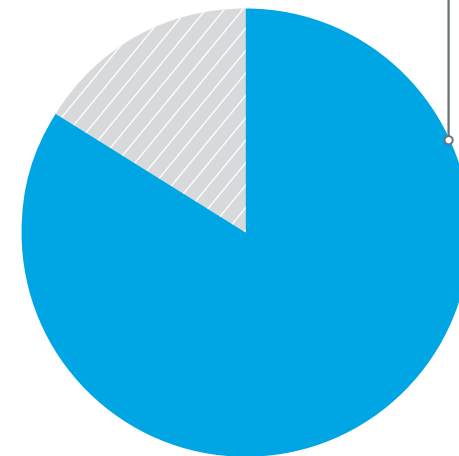
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Marketers prioritize responsive web to reach all devices

Knowing that mobile users can choose from many devices, a marketer's goal is a frictionless environment in which web pages are always displayed, regardless of the device. The majority of marketers surveyed—84%—have responsive websites that are viewable on all device browsers: desktops, smartphones, and tablets.
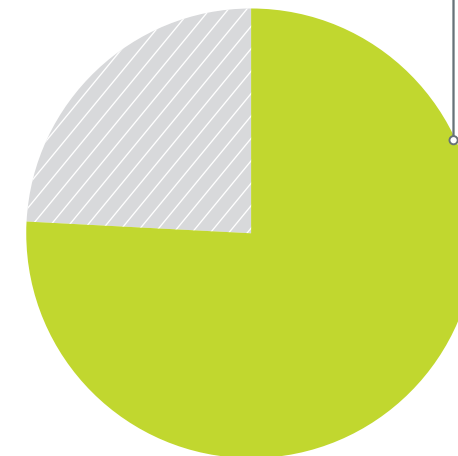
According to the *2014 Adobe Mobile Consumer Survey*, consumers across the board expressed a strong preference for mobile web when asked about their preference for shopping via apps versus mobile websites. Consequently, to improve monetization, the marketers surveyed clearly see the benefit of investing in a single web experience that is suitable for all device types.
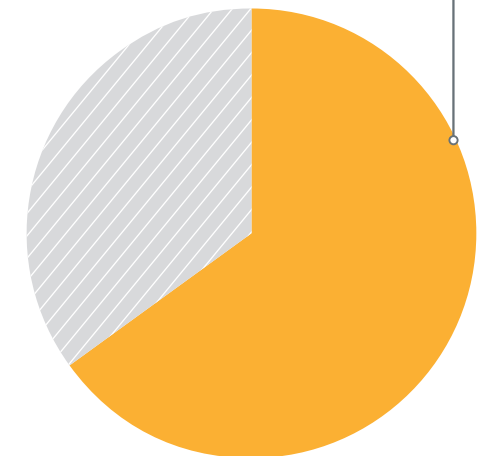
84%
of mobile marketers have responsive websites for all device types.

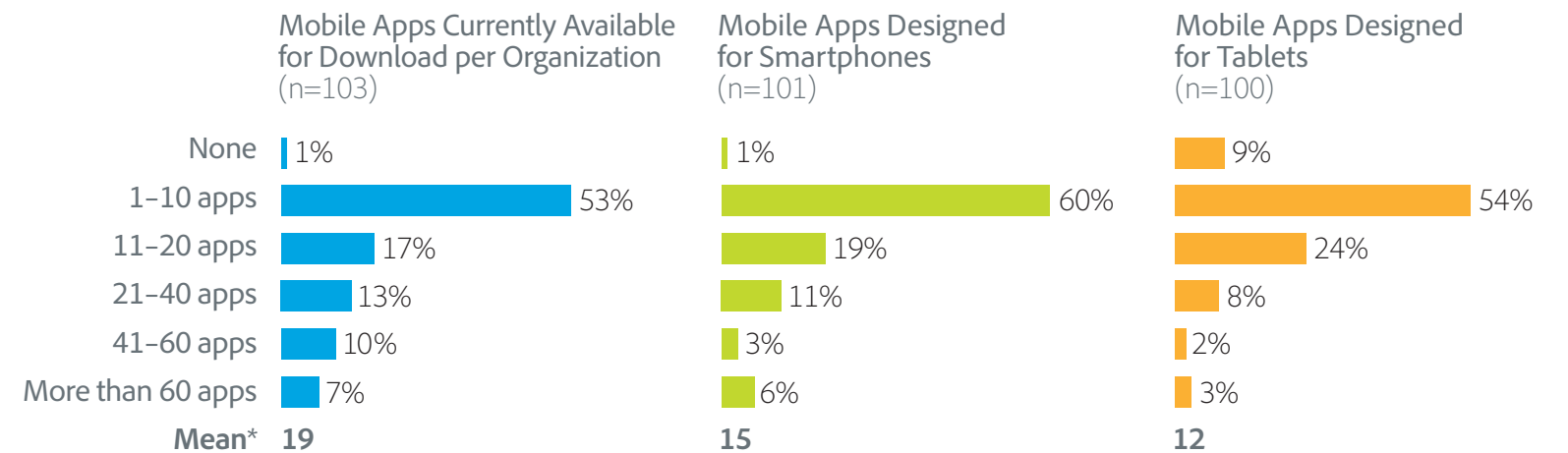**76%**
have sites designed for smartphones.

65%
have tablet-specific sites.

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Apps are important, but create more challenges for marketers

The companies surveyed have an average of 19 apps available for download across the app marketplaces and device types. Furthermore, 93% have apps designed specifically for tablets, indicating a priority for tablet-unique experiences. The Apple App Store is the most popular marketplace, with 67% of respondents publishing to this store, but Google Play is catching up with 61% of the respondents.

However, creating apps for both smartphones and tablets is not a trivial matter. Each app requires design, development, testing, and ongoing maintenance. Most organizations are challenged by the time and resources needed to keep up with new operating system versions and devices.

17%
have more than 40 apps for download.

53%
of the companies surveyed have 1 to 10 mobile apps.

	Mobile Apps Currently Available for Download per Organization (n=103)	Mobile Apps Designed for Smartphones (n=101)	Mobile Apps Designed for Tablets (n=100)
None	1%	1%	9%
1–10 apps	53%	60%	54%
11–20 apps	17%	19%	24%
21–40 apps	13%	11%	8%
41–60 apps	10%	3%	2%
More than 60 apps	7%	6%	3%
Mean*	**19**	**15**	**12**

* Calculated using mid-points of ranges

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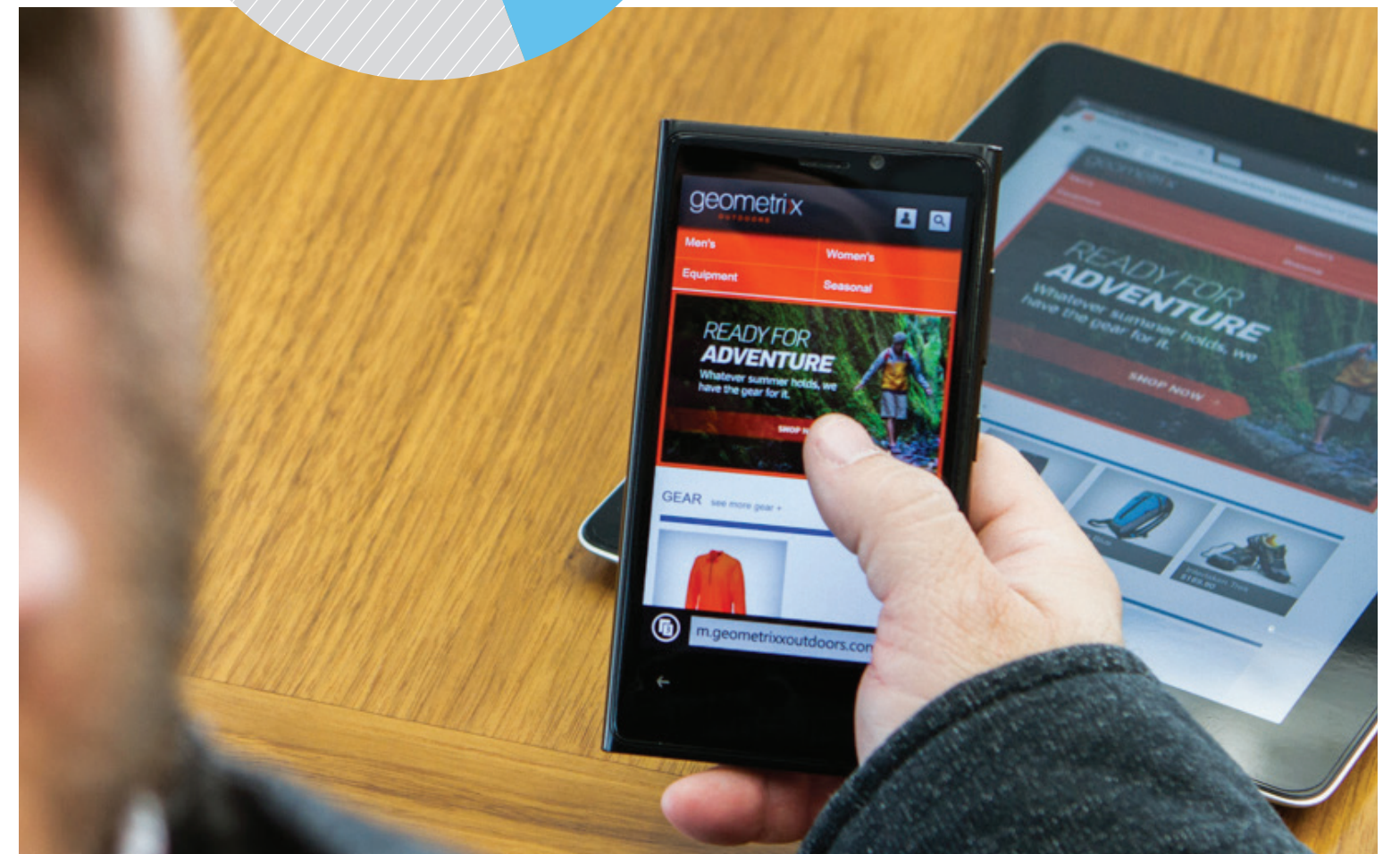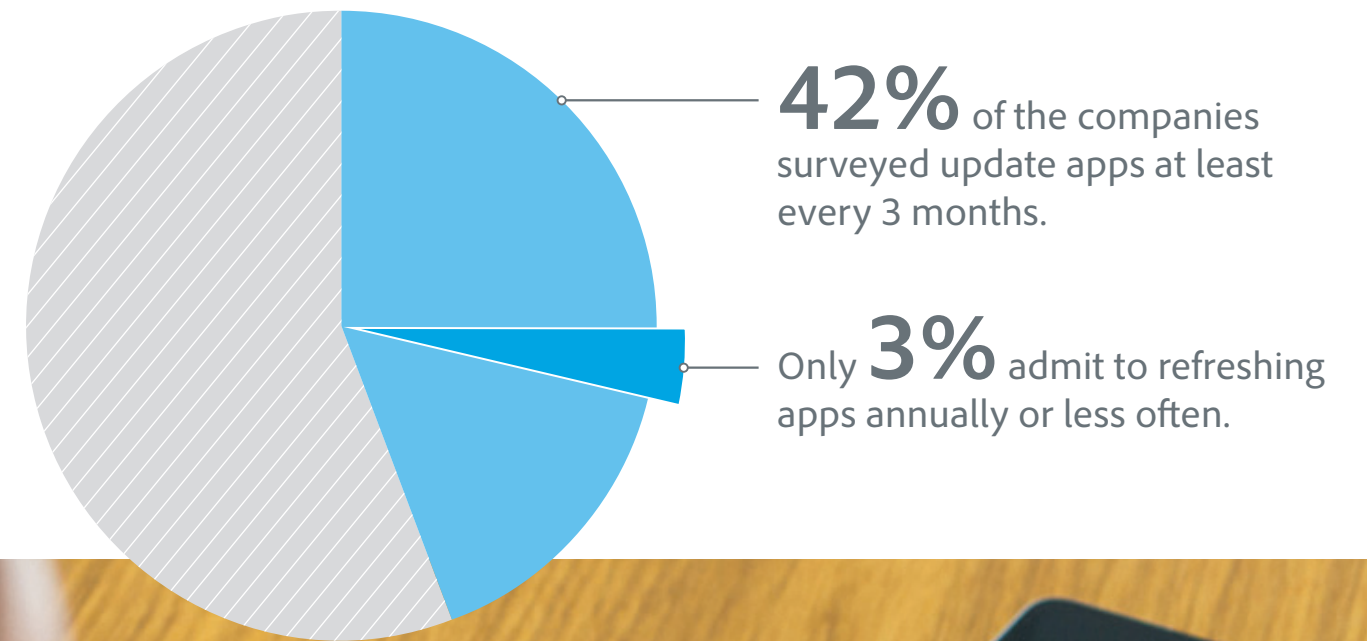
Staying relevant in app stores requires frequent updates

Consumers are not loyal to mobile apps unless an organization's brand is "top of mind." Rather, consumers download and use the app that provides them the best experience and the most utility or value.

Consequently, investing in regular app updates is a must to maintain the quality of the user experience. Not only are rival companies continuously improving, but independent developers are working to build apps to disrupt your business model. To respond to these challenges, we found that the largest share, 42%, update their apps at least every three months, and 32% provide updates every four to six months.

42% of the companies surveyed update apps at least every 3 months.

Only **3%** admit to refreshing apps annually or less often.

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Mobile app innovation requires people investments

To execute on their mobile app strategies, companies are investing in people. The trend is to have a dedicated mobile team focused on apps. Additionally, a majority use third-party developers to supplement in-house development or to provide apps for a specific event or campaign.

Number of full-time staff members on mobile app team	
1–5	7%
6–10	13%
11–20	9%
21–30	11%
31–50	8%
51 or more	22%
Not sure or don't know	31%
Plan to increase full-time staff members on mobile app team	
Yes	61%
No	16%
Not sure or don't know	22%

Base: Have Mobile App Team (n=85)

Dedicated Mobile App Team

No
17%

Yes
83%
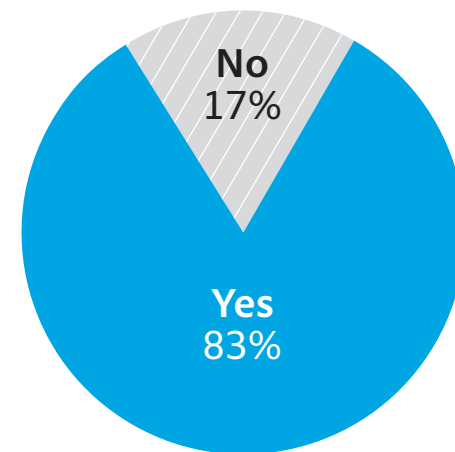
83% of those surveyed have a dedicated team for mobile apps.

22% of the teams have more than 51 people.

61% plan to increase mobile app staff in the next year.

71% of the companies use third-party developers for at least some of their mobile apps.

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Mobile app innovation requires technology investments

Keeping up with mobile innovation requires a range of products and technologies for apps. Of the companies surveyed, **62% are building apps native to each operating system**, and **50% are using hybrid web technologies**, such as HTML5. For those choosing hybrid technologies, the primary driver is the need to support multiple platforms via a single development approach to reduce time to market and costs.

Beyond using tools for creating apps, the most popular technologies marketers use right now include:

- **Push messaging (66%)**
- **Analytics (60%)**
- **Content management (63%)**
- **Targeting (57%)**

Further, the majority of decision-makers in this survey are using products to move beyond the creation of an experience. Mobile leaders are managing their digital assets with content management solutions, measuring their app experience with analytics, personalizing experiences with targeting technology, and driving re-engagement with mobile messaging solutions.

50% of the companies surveyed are using hybrid web technologies, such as HTML5, to create apps.
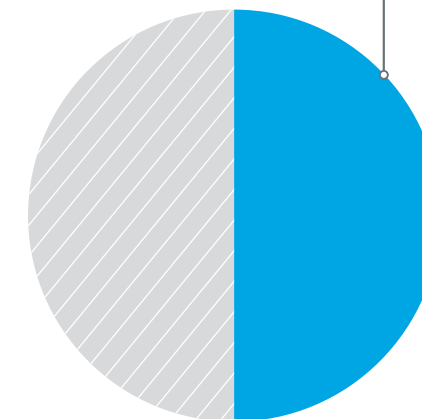
More than **60%** use technologies for push messaging, content management, and analytics to power their apps.

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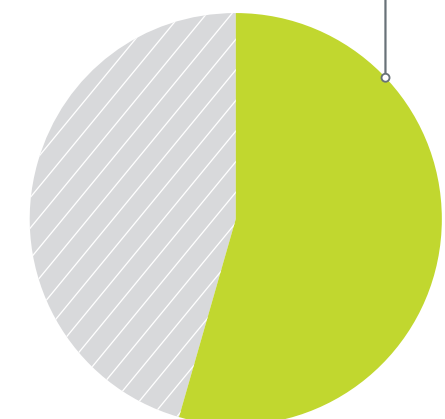
Mobile app innovation and location technology

Using location technologies to personalize mobile experiences is expanding via GPS location data and iBeacons.

For GPS location, 49% are using device position to deliver location-aware content. In addition, 37% of marketers surveyed plan to use GPS data in the next 12 months.

In the case of iBeacons, sports media companies, like Major League Baseball, have already deployed beacons in their stadiums to push relevant content to fans. Safeway, American Airlines, and Marriott have announced the deployment of beacons at retail stores, airports, and hotels to drive a location-aware experience for customers. And, 36% of marketers surveyed plan to use iBeacons in the next 12 months.
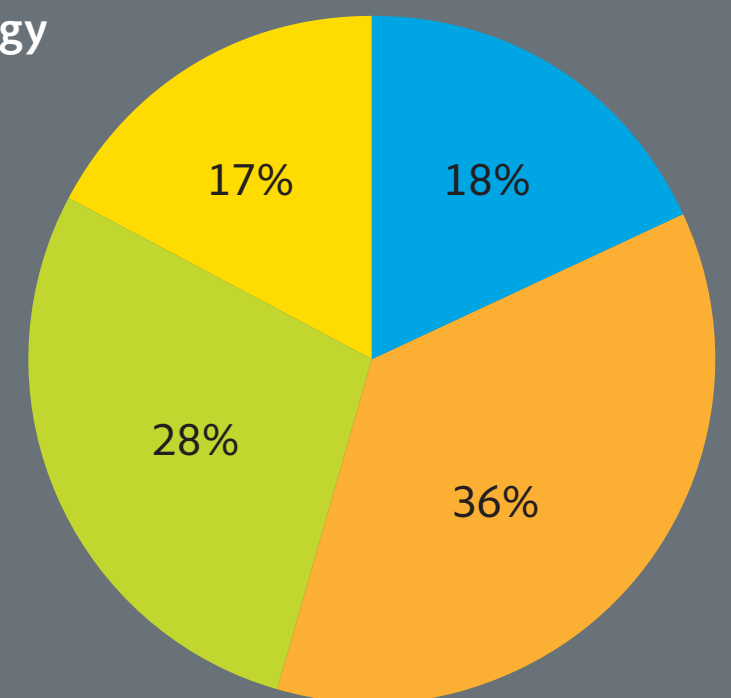
Request GPS Location Data

- 49%
- 37%
- 7%
- 8%
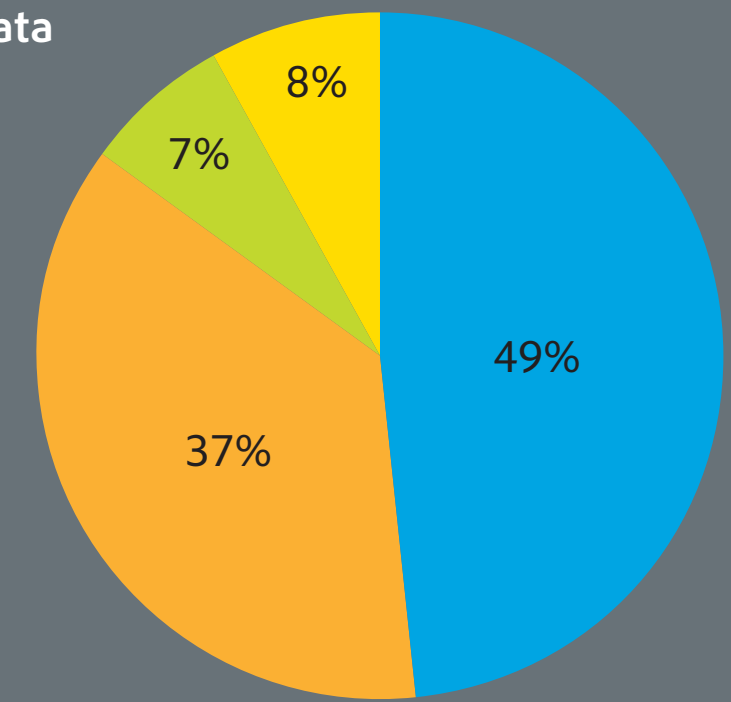
Use of iBeacon Technology

- 18%
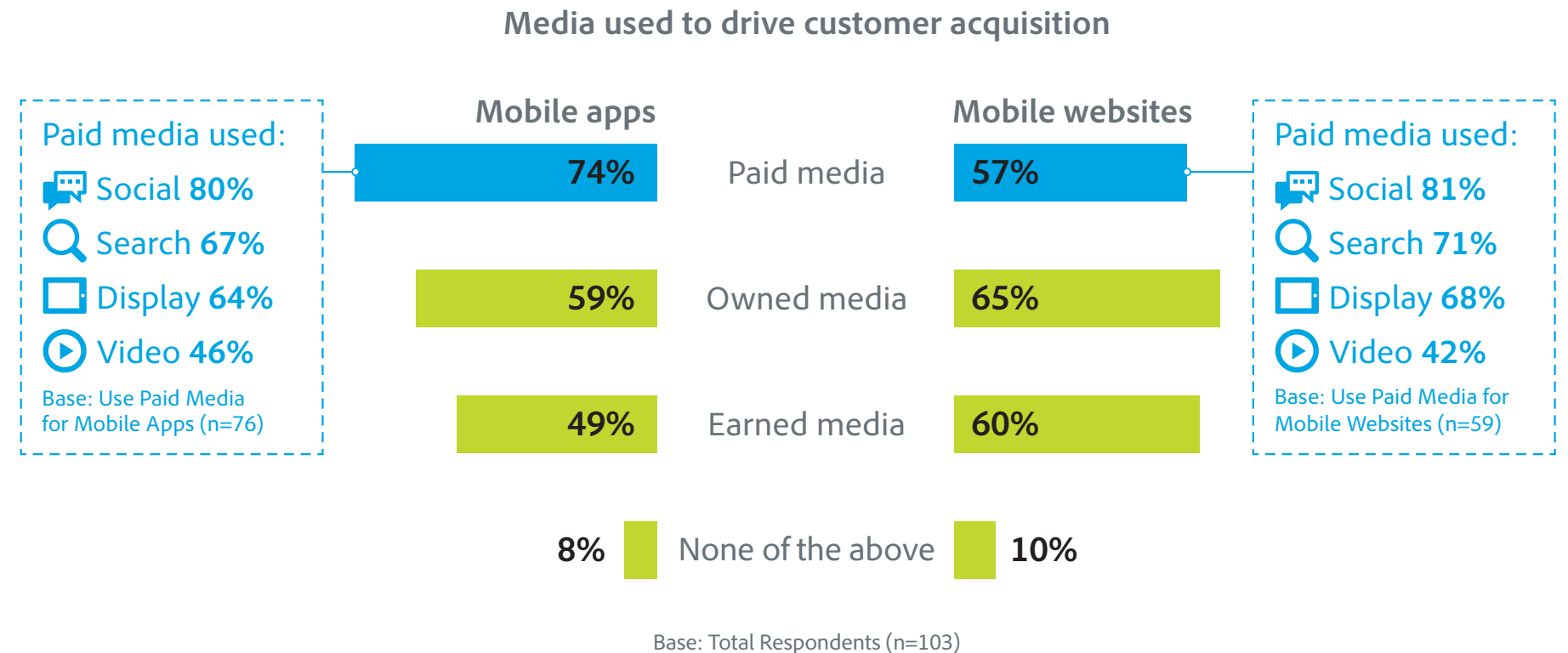- 36%
- 28%
- 17%

Legend:
- ■ Currently using
- ■ No, but plan to use in the next 12 months
- ■ No, and no plans to use in the next 12 months
- ■ Not sure

Choose the right media mix to drive mobile acquisition

The typical mobile experience for consumers includes "snackable" sessions on both smartphones and tablets across web and apps. Thus, acquiring customers requires a variety of marketing tactics.

Driving mobile traffic and app downloads requires a mix of paid, owned, and earned media. Paid media is the leading channel to drive customer acquisition for apps (74%). Whereas, for mobile websites, owned (65%) and earned media (60%) are the leading tactics.

Within paid media, social networks are the most popular channel for both apps and websites, followed by search and display. Video lags among paid media, but with the growing number of users consuming mobile video, it bears watching.

Media used to drive customer acquisition

Paid media used:
- Social **80%**
- Search **67%**
- Display **64%**
- Video **46%**

Base: Use Paid Media for Mobile Apps (n=76)

Paid media used:
- Social **81%**
- Search **71%**
- Display **68%**
- Video **42%**

Base: Use Paid Media for Mobile Websites (n=59)

	Mobile apps	Mobile websites
Paid media	74%	57%
Owned media	59%	65%
Earned media	49%	60%
None of the above	8%	10%

Base: Total Respondents (n=103)

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Re-engaging app users requires new tactics

Nine out of ten marketers surveyed used some combination of tactics to re-engage app users, including push messaging (58%) and re-launch campaigns via owned (55%) or paid media (53%).
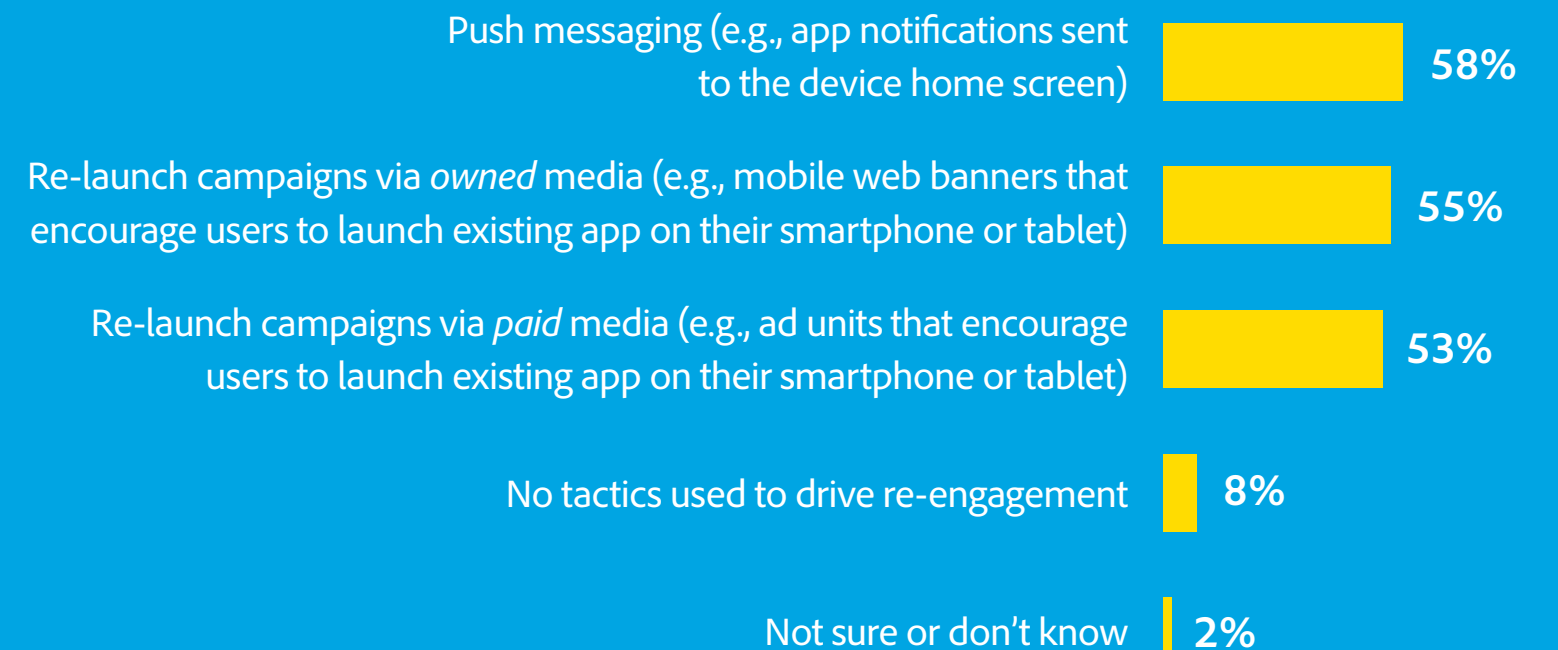
Tactics used to drive re-engagement

Push messaging (e.g., app notifications sent to the device home screen) **58%**

Re-launch campaigns via *owned* media (e.g., mobile web banners that encourage users to launch existing app on their smartphone or tablet) **55%**

Re-launch campaigns via *paid* media (e.g., ad units that encourage users to launch existing app on their smartphone or tablet) **53%**

No tactics used to drive re-engagement **8%**
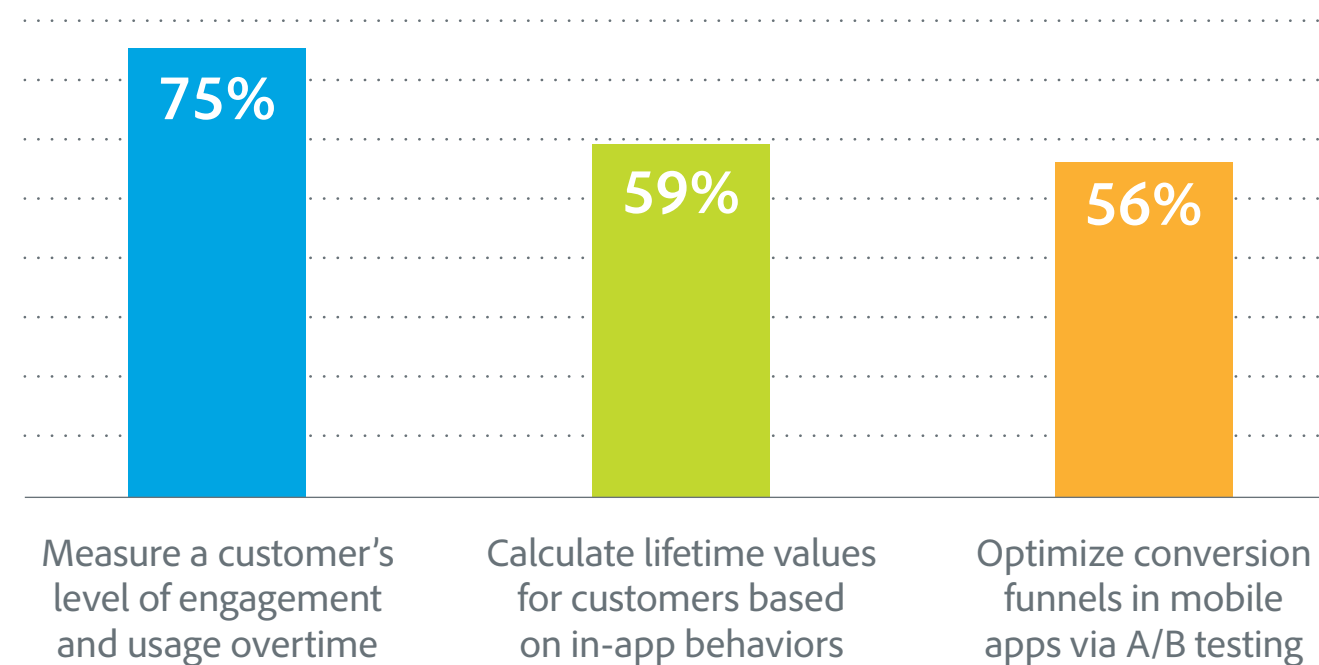
Not sure or don't know **2%**
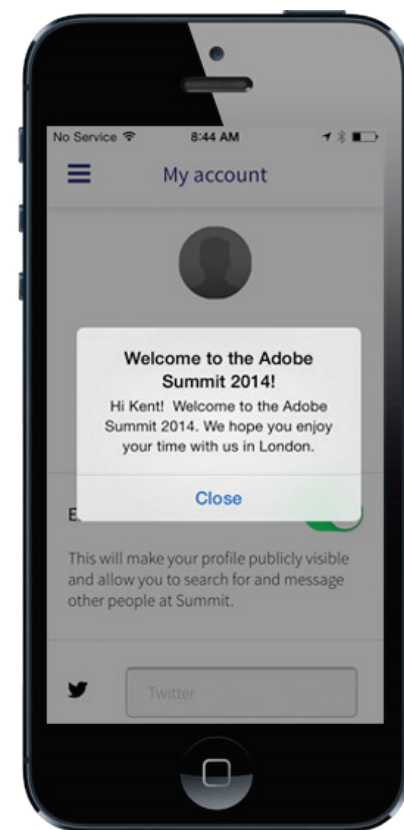
Measure, test, optimize, and repeat

The savviest mobile marketers measure and test digital behavior frequently to optimize the experience. Three-quarters of mobile marketers said that they measure a customer's usage and engagement over time, 48% at least weekly, and 29% daily. In addition, 59% of mobile marketers are measuring in-app behaviors such as sharing content via social networks, watching videos, or buying products to compute customer lifetime value.

When it comes to optimizing mobile apps, 56% of the mobile marketers surveyed optimize conversion funnels in apps with A/B testing, demonstrating high digital maturity.

Does your organization…?

75%	**59%**	**56%**
Measure a customer's level of engagement and usage overtime	Calculate lifetime values for customers based on in-app behaviors	Optimize conversion funnels in mobile apps via A/B testing

59% of mobile marketers calculate lifetime values for customers based on in-app behaviors.

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Conclusions

- **Reach mobile consumers on all devices**. Face up to the challenge of multiple platforms and devices—most companies are using responsive websites and a combination of native and hybrid apps to ensure the best experience for consumers on smartphones and tablets.

- **Prioritize mobile investments**. Marketers own the mobile experience in a majority of companies. They are adding dedicated staff and technology investments to execute on their mobile strategy. Marketers who don't make the right investments risk being left behind.

- **Manage, measure, and optimize**. Regular app updates, measurement, and A/B testing are becoming mainstream activities for mobile leaders. Thanks to the availability of easy-to-use, cloud-based solutions, marketing does not need to depend on IT or other departments to manage, measure, and test mobile experiences to achieve monetization goals.

Use a responsive website to ensure the best consumer experience.

Add technology investments to execute on your mobile strategy.

Manage, measure, and test mobile experiences to achieve goals.

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Methodology

This report is based on an online survey of executives, marketers, and analysts from June 3–13, 2014.

- The 103 respondents work for U.S. companies with more than 500 employees. The companies represent the following industries: financial services, media and entertainment, retail and commerce, and B2B high tech.

- The respondents perform mobile marketing activities on a regular basis and either recommend or request mobile marketing tools. Respondents were not required to use Adobe products.

- Seventeen percent of the respondents classified themselves as experts in mobile marketing.

- Fifty-four percent of the respondents work directly for an organization; whereas, forty-four percent work for an agency on behalf of their clients.

For more information

- **Visit** *www.adobe.com/solutions/digital-marketing.html.*
- **Read** our blog at *http://blogs.adobe.com/digitalmarketing.*
- **Follow us** on Twitter at *@AdobeMktgCloud.*

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Adobe Marketing Cloud and mobile capabilities

Adobe Marketing Cloud provides a comprehensive and integrated set of capabilities for making, managing, measuring, and monetizing mobile app and web experiences. We provide marketers with the ability to manage and update app experiences across apps stores, as well as analyze user engagement across platforms and devices. Our solutions include powerful optimization tools for improving conversions and delivering location-based content in real time to mobile audiences. Marketers can now significantly grow the ROI on their digital marketing by effectively acquiring, engaging, and retaining customers who use mobile apps and websites.

Make

Manage

Measure

Monetize

Mobile Web

Apps

Mobile Tactics

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