Overcoming Mobile Measurement Challenges to Drive Sales Growth

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Mobile has become an extension of consumers, and a critical tool in every marketer's toolkit. Google's Director of Marketing, Matt Lawson, sat down with Bain & Company's Global Marketing Practice Lead, Laura Beaudin, to discuss how brands can use mobile to engage consumers and drive growth.

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Consulting firm Bain & Company has been helping brands discover business opportunities and rise to new challenges for more than 40 years. In recent research with marketing leaders, they found that the brands succeeding today are those taking a mobile-first approach to business.

Below, we draw on their expertise to explore the benefits that mobile offers, the opportunities it presents, and how to start making the most of mobile moments.

Matt Lawson, Google: Bain & Company has a reputation for helping organisations achieve broad business goals. Where does mobile fit into your strategy?

Laura Beaudin, Bain & Company: For a number of years now, we've worked closely with leading brands that are seeking to transform their businesses. Increasingly, we're being asked about the role of mobile advertising and the impact it can have on broader organisational goals.

At Bain, we believe that mobile has incredible potential to reach consumers and influence their decisions. In a recent survey we found that people interact with their phones an average of 13 times per hour, and that 60% of the ads that consumers identified as being influential in making a purchase were viewed on a mobile device.

Are the clients you work with doing everything they can to harness the power of mobile?

Given what we know about the impact of mobile, you'd expect companies to be falling over themselves to reach consumers through this channel. But, in most cases, they're not there yet. In fact, companies spend just 13% of their media budgets on mobile advertising. And much of that advertising is not suited to the medium.

To win consumers in their mobile moments, brands need to take a different approach—consumer attention is shorter, so how brands reach and engage consumers should be different. For example, most mobile video advertising is repurposed from TV ads, meaning it's too long and too slow. Brands need to consider mobile as a medium unto itself.

Given that mobile is a unique channel, how do you encourage your clients to think about measurement differently?

At Bain we are very driven by results, so I understand that marketers want demonstrable returns on their investments. But mobile has changed the game. Marketers simply cannot set the same KPIs or use the same rules and measurements for mobile as they do for other forms of online advertising.

Take, for example, that 79% of consumers use their smartphones to research, however only ~10% of purchases are on a mobile device. Under the traditional rules of digital metrics, if consumers don't buy from the device the ad is seen on, the activity won't be counted as contributing to the purchase. The methods often used for calculating the effectiveness of mobile are incomplete. We need to move away from last-click attribution models to something that better reflects a consumer journey, which is nonlinear and has gaps in the data.

The idea of bridging gaps with proxies and estimates is something that we've been talking about a lot at Google. Do you have advice on how brands can incorporate this thinking into their mobile strategy?

Here at Bain, we ran an analysis of 535 marketing campaigns to get a better understanding of how companies can use proxies in their measurement. We found that for every $100 of revenue attributed to mobile display ads by conventional metrics, an additional $90 should be attributed to mobile for purchases made on another device. By applying this 1.9X multiplier to the revenue attributed to mobile by conventional metrics, companies can get a better estimate of the power of the platform.

So yes, to your point, we're seeing brands driving tremendous results by relying on proxies and leaning into mobile. Red Lobster is one example. Digging into the mobile behaviours of their customers, they learned that 60% of the traffic on their website happens during the dinner hours of 3:00 to 6:00 p.m. They recognised that this was a huge opportunity to drive new growth, if they could be there to deliver what their customers needed in these moments. Acting on this insight, they targeted mobile customers in those I-want-to-go moments when they were close to a restaurant during prime dinner hours.

Because they couldn't directly link specific purchases to mobile ads, Red Lobster used store visits as a proxy to gauge the mobile campaign's impact. They found that mobile users who saw a Red Lobster ad on their devices were 31% more likely than those who didn't see an ad to visit a restaurant the same day, and 17% more likely to do so the next day. The company found mobile advertising to be an effective tool for achieving broad business goals, specifically country-wide sales growth and increased awareness of signature promotions.

Another key shift we've noticed at Google is that brands who are investing in mobile experimentation see huge rewards over time. What can brands achieve through testing and experimentation?

Brands can discover underserved opportunities on mobile if they're prepared to experiment and learn, rather than just optimise existing strategies. Angie's Boomchickapop popcorn, for example, wanted to boost sales and market share, so they employed a test-and-learn approach across six locations. They designed a mobile-first strategy to reach their target shoppers—young, active females—in key popcorn moments that matter, such as when they were near retail locations on weekends.

Overall, Boomchickapop recorded more than 23% lift in sales in the test markets and calculated an ROI of $1.30 for every $1.00 spent on the digital campaigns. By testing different levels of mobile impressions in each of the six markets and focusing on a broad business measurement (retail sales) rather than a metric such as ad engagement, the company was able to drive true business impact.

Perhaps most interesting though is that the sharpest increase in sales was from cities where the biggest share of advertising impressions was received on mobile—driving five times more sales than the four other locations. The company was so encouraged by the results that it plans to invest more in mobile in future campaigns.

What are your tips for marketers wanting to use mobile to help achieve broad business goals?

First, always have your customers front of mind. They will tell you how they use mobile, and what the key moments that matter are for your brand. If you can reach people in the right moment, on their terms, you can shape their preferences and purchasing decisions.

Second, rethink your approach to measurement. Mobile probably plays a bigger role than you may realise in your consumers' purchase decisions.

Finally, think about smart, bold testing. Use estimates and proxies to build a full picture of your mobile strategy, then look at how mobile plays into broad business results—like retail sales—by setting up the right tests to prove it.

You can read more details in our article "Mobile Marketing: Don't Miss the Moment," but the key takeaway is this: Marketers who are willing to think big, test smart, and learn fast will have an opportunity to leap ahead of their competitors.