



MRM YEAR IN REVIEW

Mobile Advertising
Bright Spots In 2012

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BEST PRACTICES

From Marketers Moving Forward With Mobile Media

Mobile relationship marketing (MRM) has become the single most investigated, tested and piloted transformation in 2012 as senior marketers look to identify new engagement strategies leveraging mobile. Consumers around the globe continue their rapid adoption of a fully mobilized lifestyle. In response, leading brands are looking beyond disconnected mobile media placements. Instead, brands are accelerating strategies and boosting investments to develop more fully connected mobile experiences that enable consumers to initiate connections when and where they choose.

However, as the CMO Council revealed in its “Engage at Every Stage” report, this goal of a connected, immersive mobile experience is being stymied by the lack of a comprehensive mobile strategy. Marketers expressed concern over driving measurable results through the mobile channel and were concerned that mobile could go down the road of other digital channels, existing as an individual channel of engagement, disconnected and not aligned to overall marketing and business goals. And despite a growing knowledge base and understanding of mobile marketing technologies and innovations, a core question still exists: Is the mobile channel worth the investment?

MAKING A CASE FOR THE CONSUMER CHANNEL OF CHOICE

The data around mobile adoption and usage is nothing short of staggering. According to data from the International Telecommunication Union (ITU), total mobile subscriptions topped 6 billion globally. Mobile broadband is also reaching nine-figure heights, with more than 1 billion mobile-broadband subscriptions worldwide, now outnumbering fixed broadband subscriptions globally. Device sales are also growing at a similarly robust pace as analyst firm IDC reports that tablet and smartphone sales during the 2012 holiday shopping season grew 55.8 percent and will continue

to grow 39.5 percent year-over-year while PC sales declined from the same quarter one year ago.

But adoption is only part of the mobile picture that excites today’s savvy brand marketer; consumption and levels of engagement initiated through mobile devices really demonstrate the power of the channel. Industry experts in mobile—including InMobi, a leader in mobile-first customer engagements—and research partners On Device Research and Decision Fuel have tracked the media consumption rates of more than 22,000 mobile web users across 20 key global markets. The study reveals that consumers are actively initiating brand engagements during the course of their mobile sessions, influencing everything from social connections to buying intentions.

According to the “Mobile Media Consumption” report, the average global mobile web user consumes 7.2 hours of media per day. This time online is shifting users away from their fixed connections as mobile web users are now spending nearly as much time connected to the web via mobile channels (117 minutes daily) as they do traditional web via desktop and laptop connections (140 minutes).

One contributing factor to this increase in usage is likely the ease and convenience that the mobile web delivers. More than half (59 percent) of users now see mobile as their primary or exclusive means of accessing the web while only 9 percent of respondents are only using their desktop connections to go online. When asked to explain why mobile has become their preferred access point, 45 percent say because mobile is easy to use, and an equal percent point to the fact that their mobile connection is always there.

The study also sheds light onto what they are consuming as mobile users prefer accessing entertainment (including video, games and music),

information (sports, news, etc.), and communications (E-mail, Facebook, Twitter) through mobile web connections but prefer desktop interactions for shopping or banking sessions. This preference for mobile may also be opening the minds Consumer segments who have traditionally not consumed media through digital channels.

According to research conducted by Adobe (“The State of Online Advertising”), 68 percent of consumers find online advertising to be annoying, and 51 percent see online advertising as distracting. And when challenging the effectiveness of online banner ads, 54 percent of consumers say these advertising units just do not work.

In sharp contrast, the InMobi/DecisionFuel study indicates that mobile web users are more comfortable with online advertising. When asked how comfortable users were with mobile web or mobile app advertisements (not including SMS campaigns) compared to other forms of advertising like television or online banners, 66 percent of mobile users say there are either more or equally comfortable with mobile ad units. Interestingly, 36 percent (the majority of respondents) actually indicated they were more comfortable with mobile advertising and find the placements to be very useful. Even more encouraging for the mobile advertising champions is that only 14 percent of consumers felt that mobile advertising was intrusive and were actually less comfortable with the placements.

INVESTING BUT STILL TESTING: MARKETING SEARCHES FOR A STRATEGY

Even with these positive indicators at hand, many marketers are looking at mobile with a more cautious (versus blatantly enthusiastic) eye. But there are clear signs that investments are increasing, and mobile is playing a significant role in the future of molding the customer experience.

Some 64 percent of marketers in the CMO Council’s own “State of Marketing 2012” study point to mobile as an area of increased emphasis throughout 2013 as marketers evaluate mobile apps (34 percent), mobile advertising (18 percent) and mobile relationship management (12 percent). Additionally some 33 percent of senior marketing executives are looking to deploy mobile applications in the coming year, extending their mobile reach and presence.

According to the findings of the CMO Council’s “Engage at Every Stage” study, mobile’s value is heightened thanks in part to the growing penetration of devices ranging from tablets and smartphones to eReaders, but also thanks to the user’s reliance on mobile devices for life and business. Marketing intends for mobile to better shape and influence their customers by providing more personalized and relevant messaging, but they are also looking to create value-added services and experiences that can create market differentiation and competitive edge.

But despite all of the accolades and positive sentiment for the opportunity of mobile, marketing lacks the strategy and so far has only been met with only moderate results from their investments and campaigns. Only 16 percent of marketers have a formal strategy for leveraging and exploiting mobile, explaining why many marketers are struggling to fully connect and leverage mobile across the connected customer experience. For marketers who have taken the leap into mobile, only 14 percent are satisfied with their progress in fully exploiting the mobile channel. In fact, the majority of marketers are simply not satisfied with their progress at all.

Marketing is currently measuring mobile marketing investments by web metric standards (i.e., visits, clicks and volume of consumption). User feedback and repeated use (38 percent) tops the list of measures,

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followed by quantity of mobile app downloads (33 percent) and mobile transaction levels (26 percent). However, these measures are only accomplishing the measurement of an individual campaign rather than looking across the mobile relationship to quantify the ongoing impact of a dynamic mobile experience.

Marketers agree that while there is interest, and despite the lackluster result of initial investments, mobile growth and marketing adoption will continue. However, marketers are also quick to point out that there are significant challenges to improving or accelerating the growth of mobile marketing. Part of the issue is the complexity of the mobile landscape. But the majority of marketers (77 percent) believe that a key impediment is the lack of best practices or case studies that demonstrate results across a mobile relationship.

To address this deficit, the CMO Council has gathered a review of bright spots in mobile advertising and relationship marketing to demonstrate some key strategies that can begin to drive measurable and effective engagements by leveraging both the mobile web and mobile app experiences.

page and enter to win a Blackberry phone. By placing display ad units on targeted mobile web destinations, users were quickly directed to a mobile landing page to continue the engagement. The result was a 45 percent increase in click-through rates (CTRs), as well as the continued benefit of user social connection and engagement.

With a clear call to action and a connected mobile experience that enabled the quick connection from the mobile ad to the social experience, Close Up was able to connect with more relevant youth consumers looking to share, connect and engage with their favorite toothpaste brand.

MRM Learning: Establish a clear call to action that can track across connected mobile experiences. By connecting mobile ads to a social experience, the connected mobile experience encourages a continuous dialog that can start and continue via the mobile channel. Mobile is an intrinsically social platform, providing powerful new opportunities for engagement and increased reach. Many brands including Coca-Cola, who look to be a “liquid and linked” brand, aspire to create content and experiences that are linked to a brand strategy designed to inspire consumers who will make content “liquid” by actively sharing it with their social networks, allowing a single experience to travel the globe. By connecting a mobile web ad to a highly social campaign that is viral in nature (who doesn’t want to post their best pickup line and then share it with all of their friends?), campaigns become liquid more quickly, leveraging an always-on and trusted device to power the global flow of advocacy and excitement.

When asked what mobile web users were doing on their devices, **22%** of their time was spent with social media.

*Source: InMobi/DecisionFuel Mobile Media Consumption Report



BRIGHT SPOT CASE STUDY: UNILEVER

Close Up is a popular Unilever toothpaste brand, consistently ranking as the number one or two toothpaste brand in more than 50 different global markets. But to reach the highly mobile youth demographic, Unilever quickly realized that a new engagement strategy would be needed to more effectively build awareness for the brand.

Known for a brand tagline professing “The Closer, The Better,” Close Up launched the Hook Up Challenge, merging mobile web advertising with a social sweepstakes. The program asked mobile users to share their best pickup line on the Close Up Facebook



BRIGHT SPOT CASE STUDY: AUDI

Notoriously tech savvy, the typical Audi audience is one that believes in

the Audi promise of “Truth in Engineering.” A highly mobile consumer required a highly mobilized campaign to introduce the new Audi Q3 launch for Audi Australia. The goals for the mobile initiative were to drive brand affinity, but also to connect with their luxury market buyer on a more emotional and direct level across multiple digital touchpoints.

Audi Australia opted for a highly interactive, rich media experience that encouraged users to actually interact with the new Audi Q3 on the most personal device available—the mobile device. By introducing key conversation points that would spark interest and excitement, Audi was able to quickly drive consumers from mobile web advertising interest to interactive engagement and finally to request information via content download or direct sales contact.

The ads, optimized across publisher category selections and time targeting, saw an impressive peak CTR of 1.025 percent, with an average CTR of 0.67 percent. But the continued engagement drew users in through a dynamic HTML 5-based rich media experience that saw 5 percent of consumers clicking through to download a brochure and 7 percent clicking through to the mobile web presence for the Q3, effectively connecting ad to app to mobile web engagements.

MRM Learning: Rich media experiences further enhance customer engagement. Marketers are often looking to increase engagement through rich media but are challenged by a lack of global standards and the reality of multi-OS development costs and processes—and simply taking an online ad and repurposing it for mobile web does not work. Rich media is enabling the creation of highly engaging and impactful ads through the deployment of a wide range of mobile experiences like drag-and-drop functions, video play and pause, tap-to-play audio, animation, social sharing, and as

in the case with Audi, dynamic 360-degree product views and image galleries. The result is increased engagement and conversions that can create a more emotional and lasting tie with the mobile experience and the user. Identifying mobile platforms capable of delivering rich media at scale can simplify development and ease distribution across a highly fragmented and complex device landscape.

Slim-Fast! BRIGHT SPOT CASE STUDY: SLIMFAST

With seven new flavors and a brand looking to make healthy fun, SlimFast looked to “shake things up” with an engaging and fun mobile rich media experience. Knowing that their primary customer base includes women between ages 25 and 53, SlimFast needed to tap into the mobile behaviors of the “mobile mom” segment of users. According to the InMobi/DecisionFuel mobile media consumption study, the “mobile mom” is a heavy user of social media and games, spending 22 percent of their mobile time connected to social platforms like Facebook and Twitter and 20 percent playing games. Additionally, the “mobile mom is more likely to connect to entertainment resources (16 percent) versus local search (8 percent).

Therefore, the SlimFast mobile engagement campaign focused on adding interactive fun and a rich media experience that would tap into the same excitement of a rich media gaming environment. Users were led through a motion-activated experience that allowed them to discover new shake flavors by shaking their phone. Once they arrived at their flavor, users were given the options of expanding the dialog to view nutritional information or clicking through to a mobile site to learn more about the products.

The strategy delivered a fun, informative, immersive experience that delivered an ad engagement rate twice

Mobile web time is “Me Time” : 67% of users access the mobile web in bed... **47%** while waiting for something...39% while watching TV.

*Source: InMobi/DecisionFuel Mobile Media Consumption Report

that of industry standards, with the average user going three pages deep once they navigated from the game experience and onto the brand's website. While the engagement levels were high, SlimFast was also able to capitalize on the engagement by collecting insights into consumer preferences on flavors as consumers identified their top three favorite shakes.

MRM Learning: An experience that does not center its strategy around the behaviors and preferences of its target market will fail. But this immersive rich media experience took the consumption behaviors of the target market into account and developed a campaign that was relevant and valued by the user. By developing a strategy to interact rather than to simply acquire, SlimFast was able to build onto their existing understanding and knowledge of their customer through a highly interactive, easy-to-deploy, effective mobile engagement strategy.

priceline[®] BRIGHT SPOT CASE STUDY: PRICELINE FOR KINDLE FIRE

Priceline.com and even their Booking.com site have several apps to fit their customers where, when and how the customer chooses to engage. But their 2012 launch of an app developed for the Kindle Fire tapped into a core reality of a leisure/vacation traveler—they likely have their easy-to-transport eReader/tablet device with them. As the travel industry transforms into a more mobile, real-time access environment, it was critical for the Bookings.com experience to allow users to book on the fly no matter where they were, but still maintain the easy Booking.com experience they had become accustomed to across multiple platforms.

Leveraging a mobile-first mindset, Booking.com has created an app formatted for both Kindle Fire and the HD 7-inch devices, as well as the larger 8.9 inch Kindle Fire HD. Consumers are able to actively search more

than 250,000 properties across 178 countries and can use their current location to search or tap into any of the Bookings.com locations. Additionally, Priceline was clearly aware that users hold greater levels of trust in reviews posted by friends or like-minded consumers and therefore allowed in-app access to more than 17 million guest reviews.

This multi-platform enabled experience allows a Bookings.com user to sync their account, bookings and other account actions across multiple platforms, and the app also supports last-minute deals for Booking.com's email subscribers and Facebook fans. In the end, the experience and usability that Booking.com's users have come to expect from their other web, mobile web and even social experiences have been effectively translated into this dedicated Kindle app.

According to reports, Booking.com has generated more than \$1 billion from bookings made via smartphone and tablets in 2011,¹ and they saw that number double in the first half of 2012. They also estimate that the Android version of the Booking.com app has been downloaded 4 million times. This multi-platform view has allowed Booking.com to tailor the experience delivered in the app to best track with the device—and by extension the user—to create a far more relevant experience.

MRM Learning: Know your market and your market's device behavior patterns. By understanding how a user might use and value a specific device like the Kindle Fire, Booking.com has been able to create a more robust, relevant experience that provides travel agents with a critical touchpoint on the mobile web and enables quick commerce through a trusted channel on a trusted device. As marketers are looking to expand and enhance their mobile presence,

¹"Priceline's Booking.com rounds out app strategy via Kindle fire," *Mobilecommercedaily.com*, December 11, 2012

understanding the mindset and intentions of the user will prove to be a critical step. However, identifying mobile development partners that can create experiences in a flexible, rich media-enabled environment will be a requirement. The reality is that a multi-platform strategy can be costly and frustrating if each platform is developed in a silo. Savvy developers are leveraging advanced technology and skills to create dynamic experiences that can quickly and easily deploy cross-platform without sacrificing the customer experience or mobile engagement.

WHAT'S NEXT? MEASURING, MONITORING AND MAXIMIZING MOBILE

Much like mobile strategy itself, mobile analytics and measurement are also at an inflection point, growing up to meet the needs of today's metrics-driven marketer. As companies continue to shift to a mobile-first mindset, seeing MRM as their primary consumer engagement strategy, marketers are increasingly striving to gain greater visibility into the performance and business value of these initiatives.

To optimize results, marketers need to know where users are coming from, understand their most valuable customer segments and track results against campaign goals. There is no common technology platform for mobile analytics, and most solutions will not allow you to track conversions across multiple ad networks. Advertisers and agencies need to be able to track post-click conversions, such as downloads, lead generation, sales and other actions across a variety of mobile channels, operating systems and web properties in order to determine campaign value and improve ROI. Calls and completed forms represent important indicators. And for many types of businesses, such as hotels and restaurants, access to maps and driving directions can be highly valuable mobile indicators that should be tracked. Fortunately, new technology

platforms are now emerging that can help marketers effectively track conversions and interactions at scale across multiple devices and networks.

One of the key challenges to date has been a lack of standards in what is still a somewhat fragmented market. For their part, international organizations like the Interactive Advertising Bureau (IAB) are pressing to apply unified standards across the mobile advertising space, similar to those standards in use across other online advertising mediums. In late 2012, the IAB released a framework outlining proposed guidelines for the development and measurement of mobile advertising. While the guidelines are still open for public comment and are admittedly still a work in progress, the move does underscore how early into the mobile evolution marketers truly are.

Issues around security and privacy of consumer data will also emerge as a critical discussion as marketers start to leverage more advanced and data-driven targeting techniques that can more effectively and quickly engage customers. From geo-targeting to geo-fencing, mobile has the ability to travel with the consumer, allowing brands to engage at the most opportune moments. Targeting opens a wealth of engagements, leveraging mobile to reach customers and consumers across a wide range of relevant and predictive factors, including type of handset and carrier, location, and time of day. Mobile carriers, for example, can target customers who are using older handsets with information on new phone models and deals when they are near a retail store during business hours. Retailers can deliver invitations to come in for last-minute deals or sales exclusive to their social media followers who happen to be passing by.

Location-based targeting is no longer about where you live; it's about where you are right now, whether that's in-store, at the mall, at an airport or near a restaurant.

McDonalds, for example, used mobile to reach nearby customers in restaurants throughout Colorado to promote new products, leading to increased post-promotion sales. Virgin America used location-based advertising in a U.K. campaign to promote new routes to Mexico. Even small businesses are getting into the mobile experience as people who checked into specific taco trucks were able to receive discounts on flights to Mexico.

But targeting on mobile platforms is still a work in progress. By understanding context—such as location, mode of travel and other factors—and combining those with predictive analytics, marketers will be in a position to deliver far more relevant experiences and promotions to consumers.

Indeed, Ian Anderson, a principal research scientist with InMobi, sees context awareness, the ability to react to changes in the consumer's situation, as a rich area for mobile advertisers of the future. Today's smartphones integrate up to 14 different sensors that can be used to infer context in order to deliver relevant information, offers and experiences. These sensors—such as GPS, camera, Wi-Fi, accelerometer, touchscreen, near field communications, gyroscope, light sensors and more—can be used to ascertain and predict current and future situations, according to Anderson. For example, a combination of sensor-activated data could predict that certain users will be home on Saturday night and should receive a promotion for a pay-per-view event on television. They can be used to infer lifestyles, from stay-at-home moms and workaholics to tourists and commuters. They can differentiate between those who are stationary or walking and deliver more simplified ads for ambulatory consumers.

CONCLUSION

In this age of the consumer-to-business dynamic, where the consumer can initiate an engagement with a brand in their timeline and through a device of their choosing, marketers must look to these connected mobile web and app experiences as a critical experience strategy. These engagements must be developed from a mobile-first mindset rather than assuming that digital or online strategies can be redacted and refreshed as mobile web experiences. From device type to customer behavior and content consumption patterns, marketing will revert to its customer-centric roots to identify the most relevant content that can be transformed into a mobile experience, leveraging rich media and even more robust measurement.



ABOUT THE CMO COUNCIL

The Chief Marketing Officer (CMO) Council is the only global network of executives specifically dedicated to high-level knowledge exchange, thought leadership and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide range of global industries. The CMO Council's 6,500+ members control more than \$350 billion in aggregated annual marketing expenditures and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include more than 35,000 global executives in more than 110 countries covering multiple industries, segments and markets. Regional chapters and advisory boards are active in the Americas, Europe, Asia-Pacific, Middle East, India and Africa. The council's strategic interest groups include the Coalition to Leverage and Optimize Sales Effectiveness (CLOSE), Mobile Relationship Marketing (MRM) Strategies, LoyaltyLeaders.org, CMOCIOAlign.org, Marketing Supply Chain Institute, Customer Experience Board, Digital Marketing Performance Institute, GeoBranding Center and the Forum to Advance the Mobile Experience (FAME). More information on the CMO Council is available at www.cmocouncil.org.



ABOUT INMOBI

At InMobi, we are leading the charge of architecting mobile-first customer engagement platforms that transform the economics of engaging a global consumer. We are innovating in ways that empower our customers to reach anyone in today's connected world. We offer a suite of solutions built on superior architecture based on the core principles of simplicity and scale.

Today, the world's largest brands, agencies, developers and publishers are creating immediate business value by using our platforms to deliver highly compelling value propositions to the target consumer.

With 350-plus data scientists, engineers and analysts spread across the globe, we continue to lead the industry in building architecturally superior mobile-first platforms. Our core ad network continuously analyzes hundreds of terabytes of data and makes real-time decisions to help our customers gain the most value from their investments. Our strategic acquisitions of Sprout (HTML 5 rich media authoring platform), AppGalleries and Metaflow that enable app discovery and distribution, in addition to a highly compelling roadmap of delivering end-to-end value, continues to expand our leadership in the fastest growing market in the history of technology.

For more information about InMobi, including access to industry research, best practice case studies and expert insights, please visit www.inmobi.com.