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# The State of The Industry: Mobile Marketing in EMEA 2017

# Things to take from this report

## 1

### Mobile Disruption

Mobile disruption continues to intensify, with financial services and retail leading the way in terms of innovation. 44% of the surveyed marketing professionals are already feeling the disruption, while almost half are expecting a bigger impact in the near future.

## 2

### Mobile strategy, budgets and integration

Although mobile is gaining executive support organizations are still not ready: many feel that they are not ready to collaborate with external agencies and partners to elevate their mobile marketing, and there is an overall lack of formal mobile strategies and integration of mobile with traditional media.

At the same time mobile budgets are set to increase: 20% currently spend more than a quarter of their budget in mobile, and this is set to double by 2022.

## 3

### Mobile tactics

Display and search are the most popular forms of mobile advertising but branded content shows the most potential for future growth.  Location data is at the core of mobile right now but marketers expect Internet of Things marketing applications to drive mobile growth by 2022.

## 4

### Barriers and challenges

Measurement of mobile remains a key problem for marketers. Currently, mobile marketing effectiveness is measured primarily through engagement and behavioural metrics, rather than ROI.

Separately, marketers feel that the cost of advertising is increasing, emphasising the need for measurement.

Chapter 1

# Demographics

# 548 marketing professionals from 51 markets across EMEA

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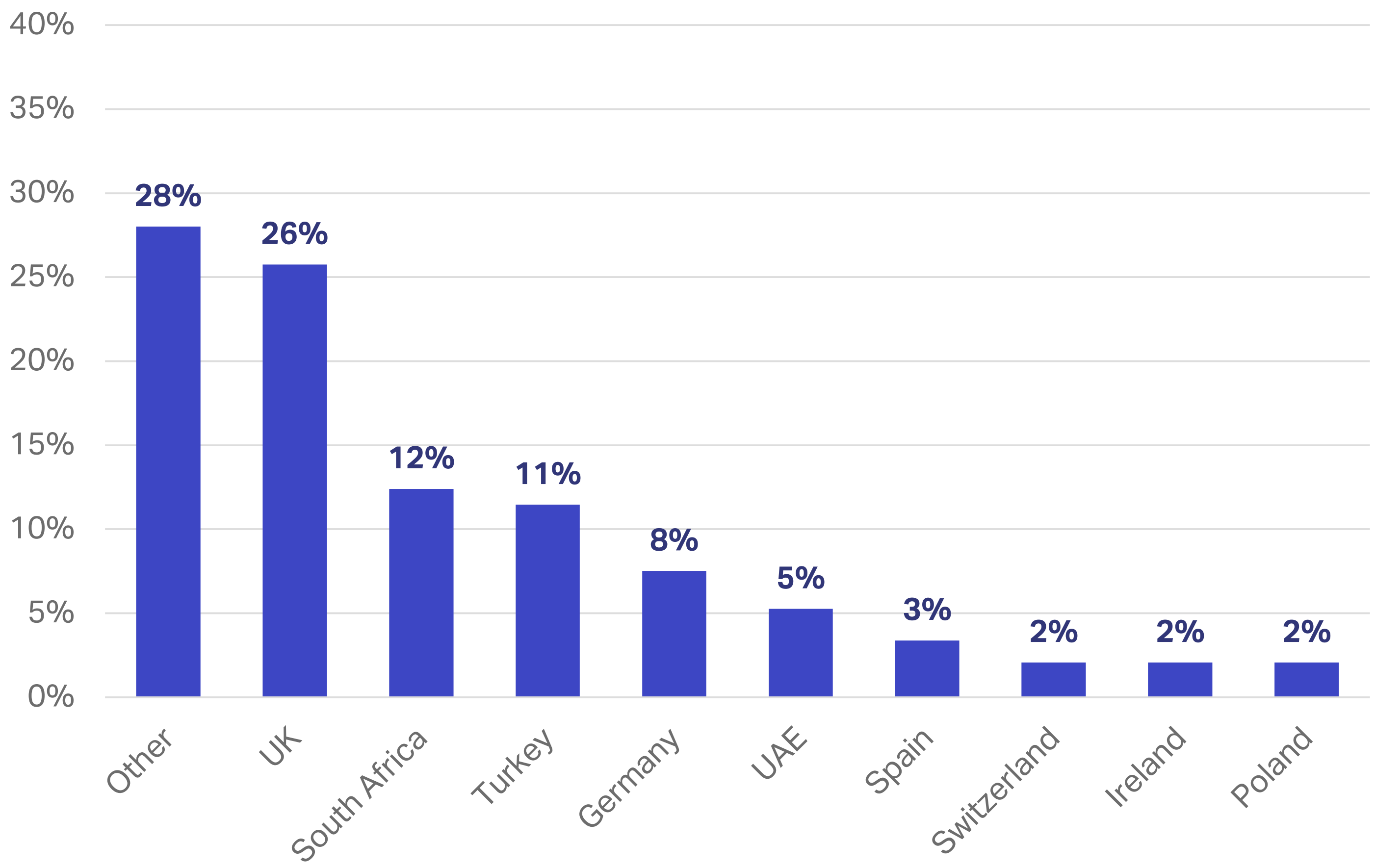
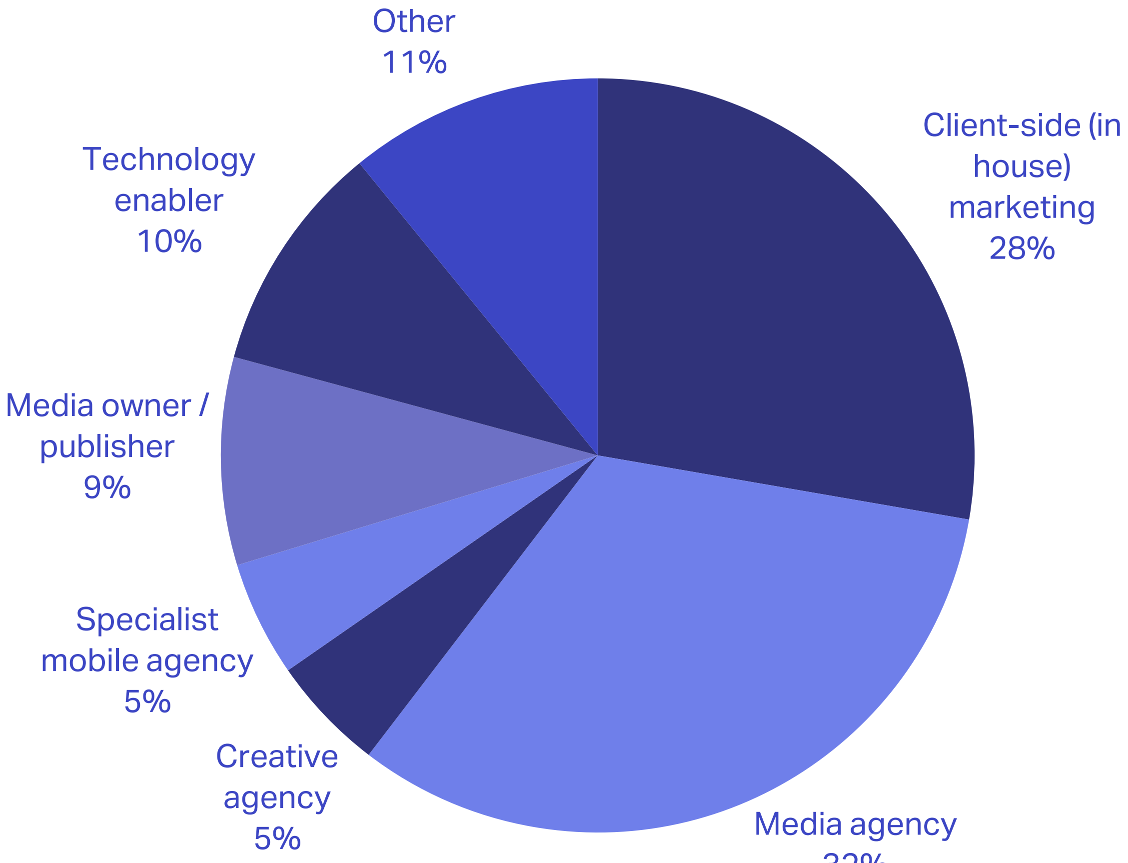



All respondents

## Commentary

- Respondents were based in numerous EMEA countries, with more than a quarter based in the UK.

# Respondent company types



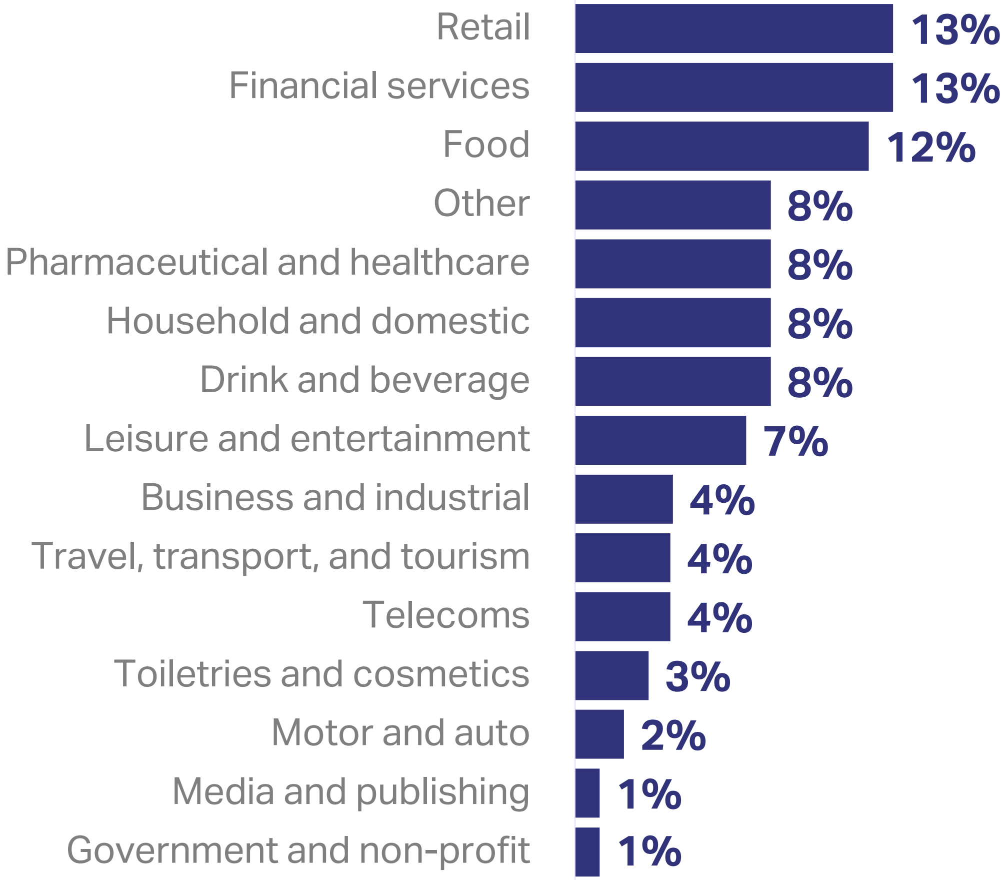

All respondents

Q: *What type of company do you work for? n=548*

## Commentary

- 28% of respondents are brand-side marketers, working in-house.
- 42% came from agencies, and the remainder from technology vendors, consultants and media owners.

# Respondent sectors




## Client-side respondents

Q: *In which sector or industry do you work? n=143*

### Commentary

- Respondents from the client-side were based across a range of sectors, with the highest proportions working in retail, financial services and food.

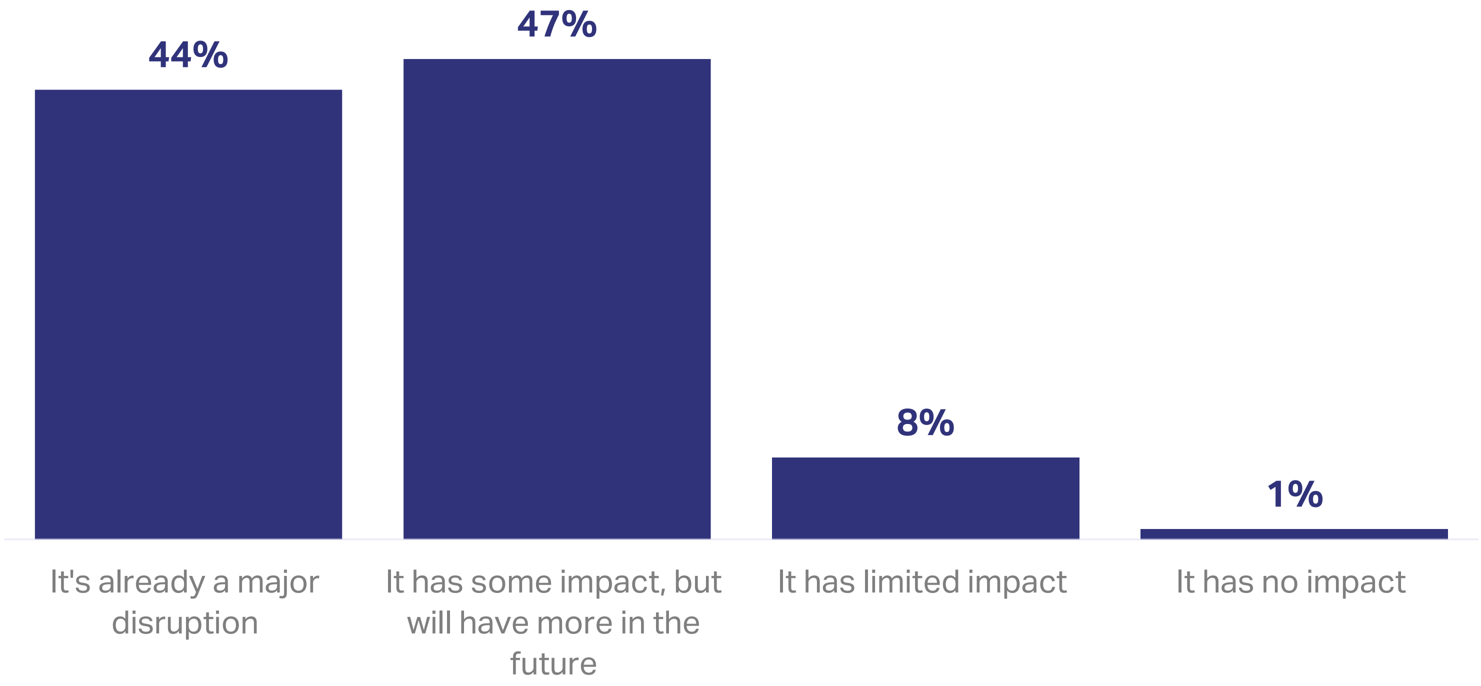
# Chapter 2

## Mobile disruption and innovation

# Key Insights

- Mobile is increasingly disruptive across industries, and marketers expect further disruption to come
- Mobile payments and mCommerce are expected to have a big impact in marketing
- Financial services is seen as the most innovative sector in mobile, followed by entertainment
- Coca-Cola is seen as the most innovative brand in EMEA

# Mobile is a major disruption across industries



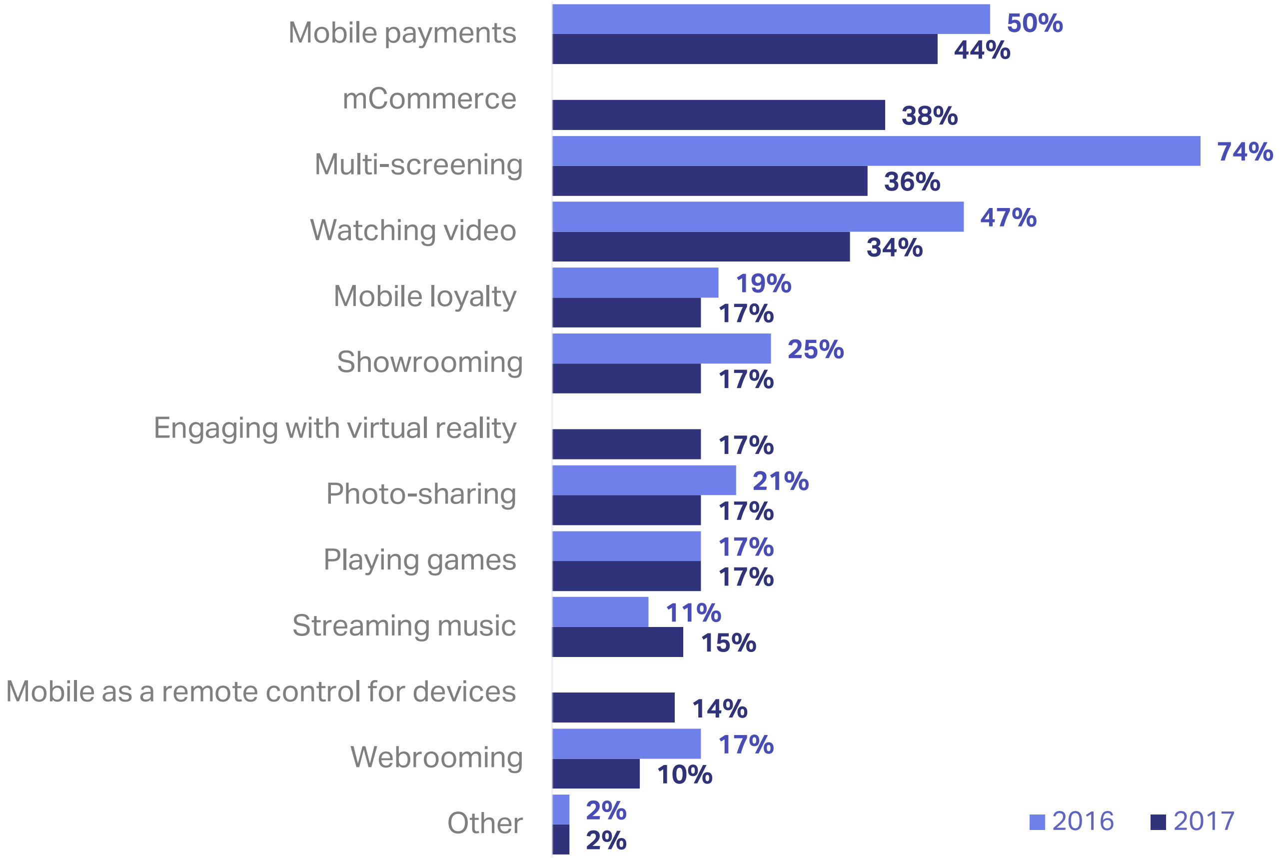

## All respondents

Q: *To what extent do you think mobile is impacting your industry? EMEA n=387*

### Commentary

- Across markets, mobile is growing. The rapid penetration of smartphones globally over the past few years means that marketers have had to embrace the channel and focus on the importance of seamless, user-friendly experiences on mobile.
- Mobile is a major disruption to 44% of marketers in EMEA, and a further 47% predict an impact in the future.

# Mobile payments and mCommerce are expected to have a big impact in marketing



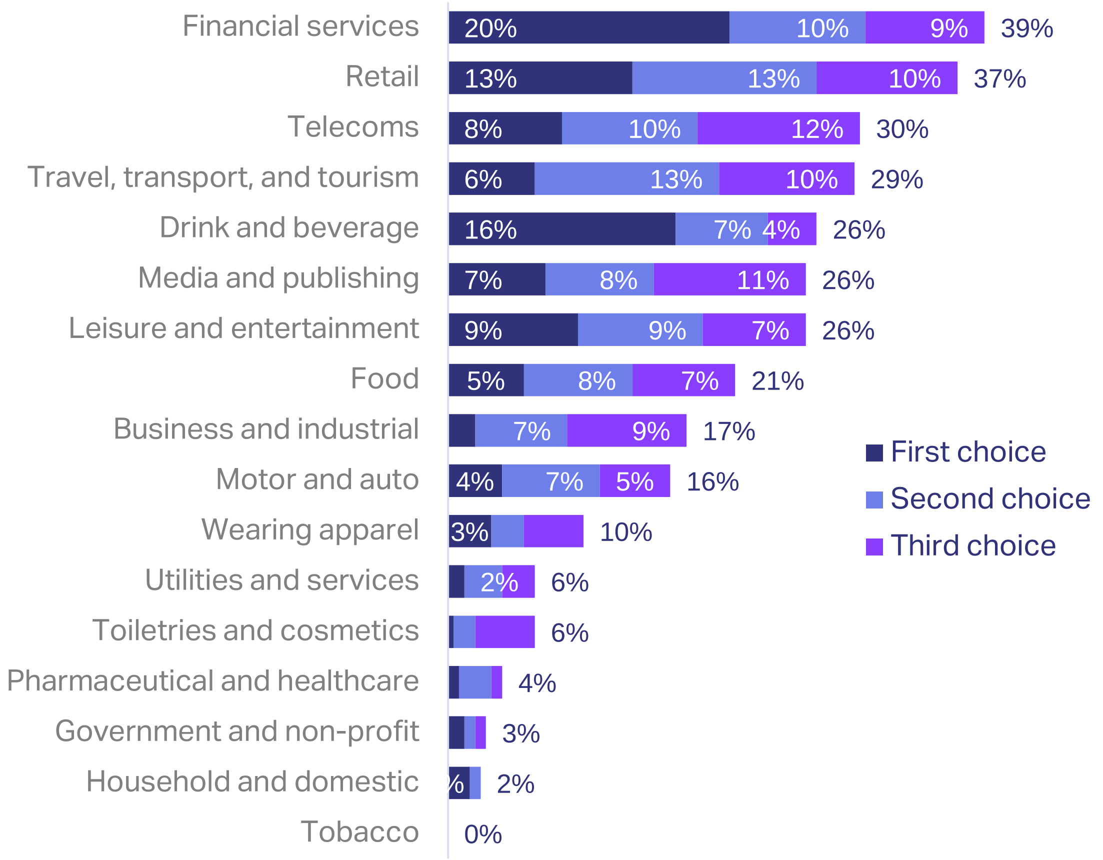

## All respondents

Q: *Of the following consumer behaviours made possible by mobile, which do you think has the most significance for the marketing industry? 2016 n=303, 2017 n=358*

## Commentary

- In EMEA, mobile payments have the most significance for the marketing industry according to 44% of marketers. mCommerce, an option for the first time in 2017, was selected by 38% of marketers.
- There has been a significant reduction in the proportion of respondents selecting mutliscreening as having the most significance for the marketing industry this year, however the addition of options in 2017 could be partially responsible.

# Financial services is seen as the most innovative sector in mobile, followed by retail




## All respondents

Q: *In which sectors in EMEA, are you seeing the most innovation in mobile? n=232*

## Commentary

- Respondents were asked to select which sector they thought was most innovative in terms of mobile marketing in their region.
- Financial services came out top, selected in total by 39% of respondents and ranked first by 20%. Drink and beverage was the second ranked first choice option (16%), although was fifth ranked overall (26%).
- Retail came out second overall, with 37% ranking it as the most innovative sector.

# Coca-Cola is seen as the most innovative brand in EMEA

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1

"Their innovative use of social media, beacons, and other targeting technologies."

2

"Innovative use of video content across Instagram, YouTube and other social media platforms."

3

"Continue to innovate with their mobile products and push boundaries with their targeting."

## Commentary

- When asked about the most innovative brand in their region, Coca-Cola was cited by the highest number of marketers, followed by Nike and Samsung.
- Quotes from survey respondents are shown below each, describing why they believe each is the most innovative brand.
- In 2016, 1, 2 and 3 were Samsung, Coca-Cola and Unilever respectively. While the top two have remained, Nike has replaced Unilever this year, with one respondent attributing this to their innovative cross-channel video content.

## All respondents

Q: *In your experience, which brands do you feel are the most innovative in the mobile space in EMEA, and in what way? n=223*

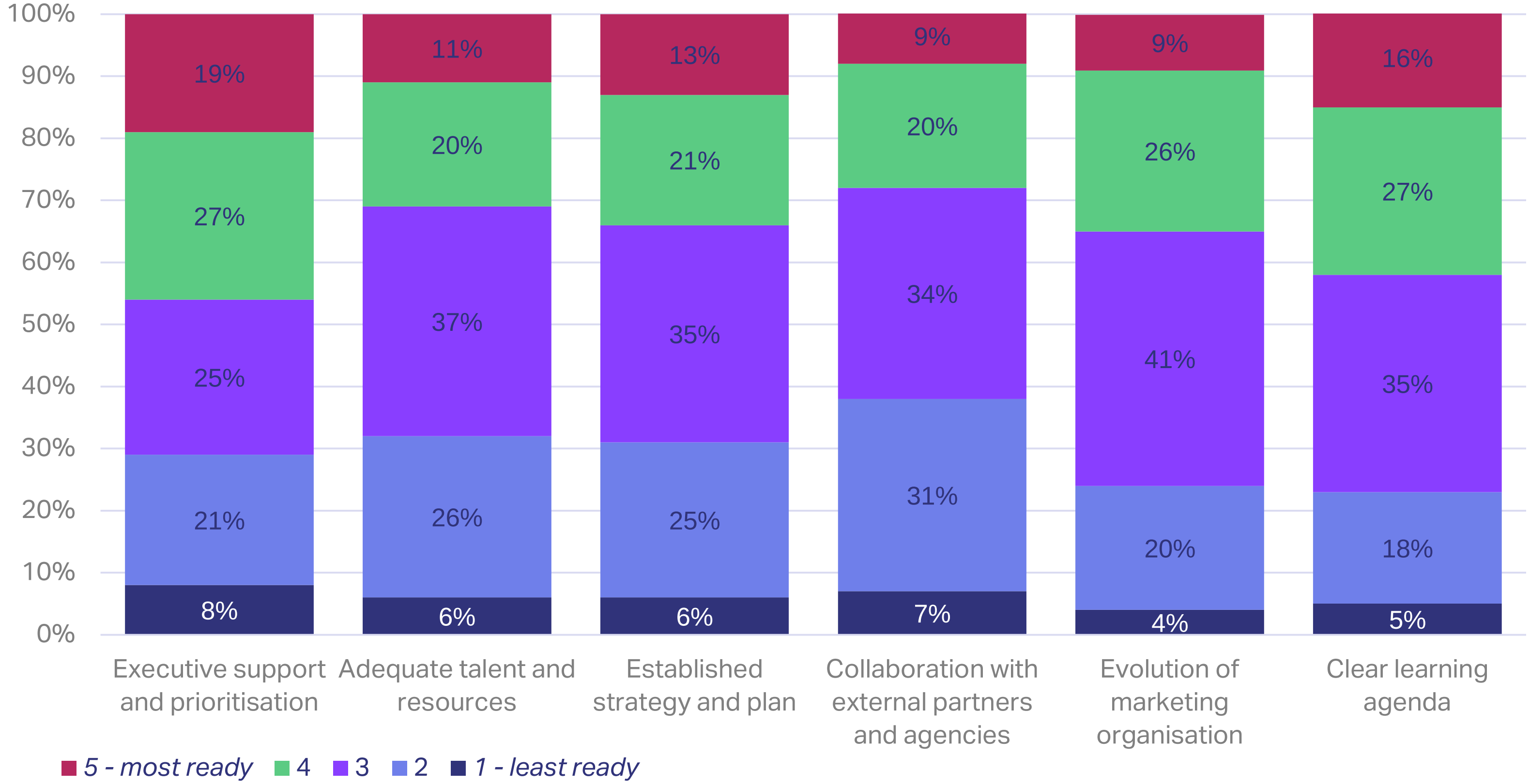
## Chapter 3

# Mobile strategy, budgets and integration

# Key Insights

- Mobile is gaining executive support but collaborative working is an area that requires development
- More than a third of marketers now see mobile as a very effective channel, and as very important for their marketing efforts
- Mobile strategies are lacking; less than half have a formal strategy in place
- Mobile budgets are increasing; the proportion spending more than 25% of their budget on mobile will double by 2022

# Mobile is gaining executive support but collaboration is lacking



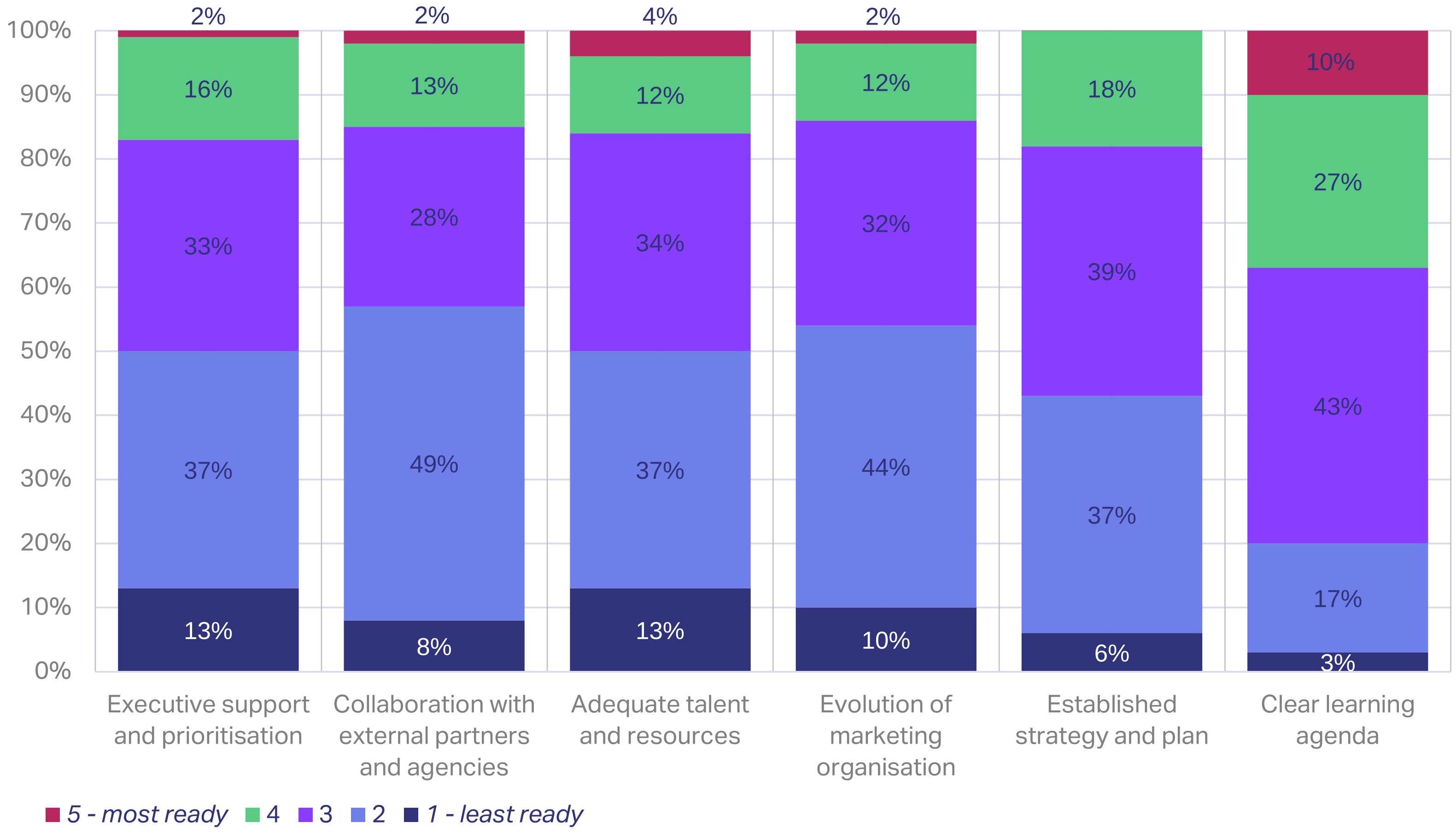

## Client-side, media owner and tech vendor respondents

Q: *How would you rate the level of readiness of your organisation when it comes to each of the following parameters in relation to mobile adoption in your company? n=238*

## Commentary

- 46% of client-side, media owner and tech vendor respondents said they are 'ready' (4 or 5) in terms of having the executive support and prioritisation for mobile adoption in their company.
- This is the parameter for which the greatest proportion of respondents said were ready for mobile adoption. In all but one parameter, the proportion of respondents ready for mobile adoption (4 and 5) is greater than the proportion not ready (1 and 2), which is an encouraging sign of the state of mobile marketing in the region.
- An area of work for EMEA marketers is collaboration with external partners and agencies; 38% are not ready (1 or 2) in this parameter.

# Agencies feel that their clients are not ready



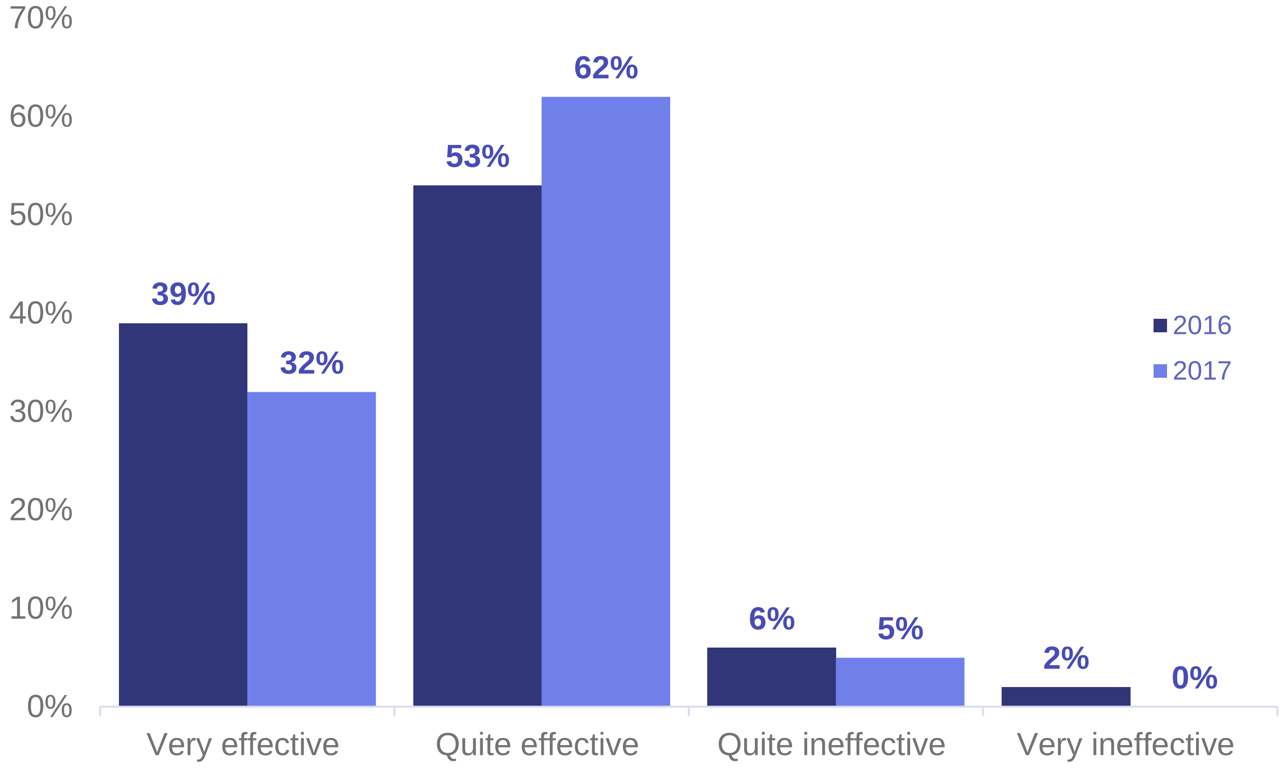

## Commentary

- Agencies see their clients as far less ready for mobile. At the most ready, 10% see their clients as having a clear learning agenda for mobile adoption. This is the only parameter where agencies see their clients as more ready than not.
- At the other end of the scale, 13% of respondents are the least ready for mobile in terms of executive support and prioritisation and adequate talent and resources.

## Agency respondents

Q: *How would you rate the level of readiness of your typical clients' organisation when it comes to each of the following parameters in relation to mobile adoption in your company? n=165*

# Overall mobile effectiveness is improving




## Commentary

- The vast majority of respondents find mobile a "quite" effective marketing channel, yet, a lower proportion of respondents than in 2016 see mobile as 'very effective', indicating that there is still some way to go in optimising marketing effectiveness via mobile.

## All respondents

Q: *In your experience, how effective is mobile as a marketing channel? 2017 n=431, 2016 n=363*

# Mobile will be important for marketers in 2017

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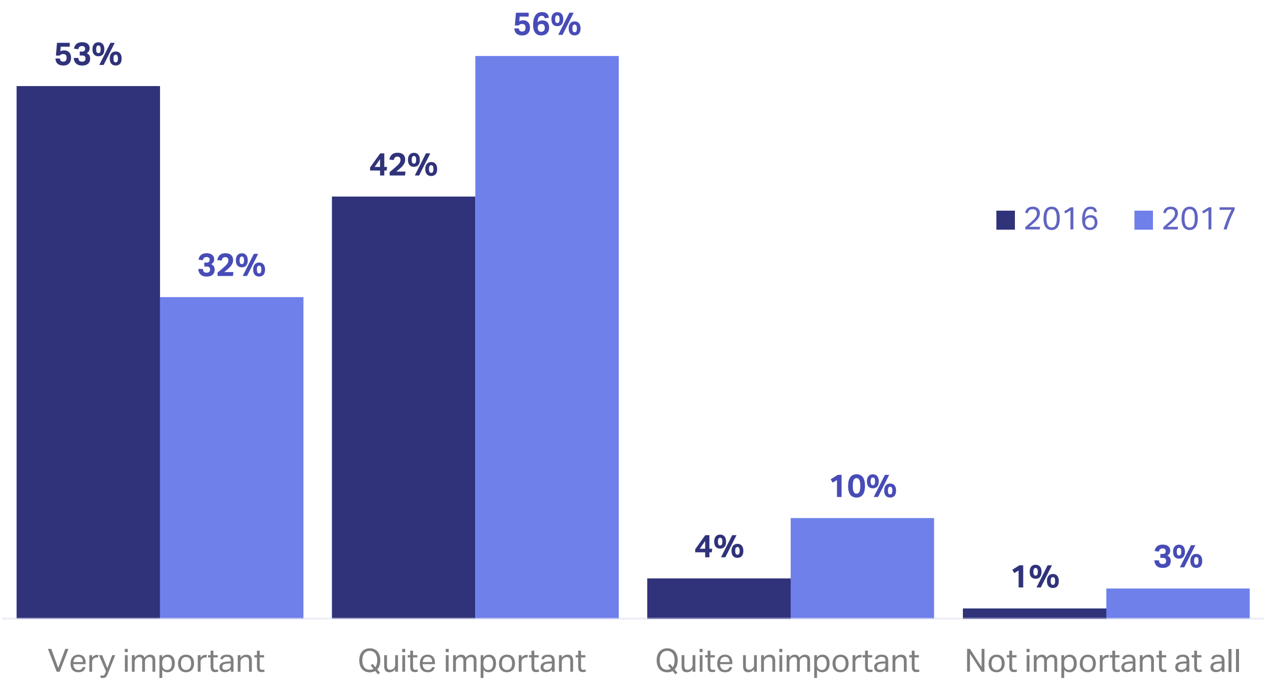


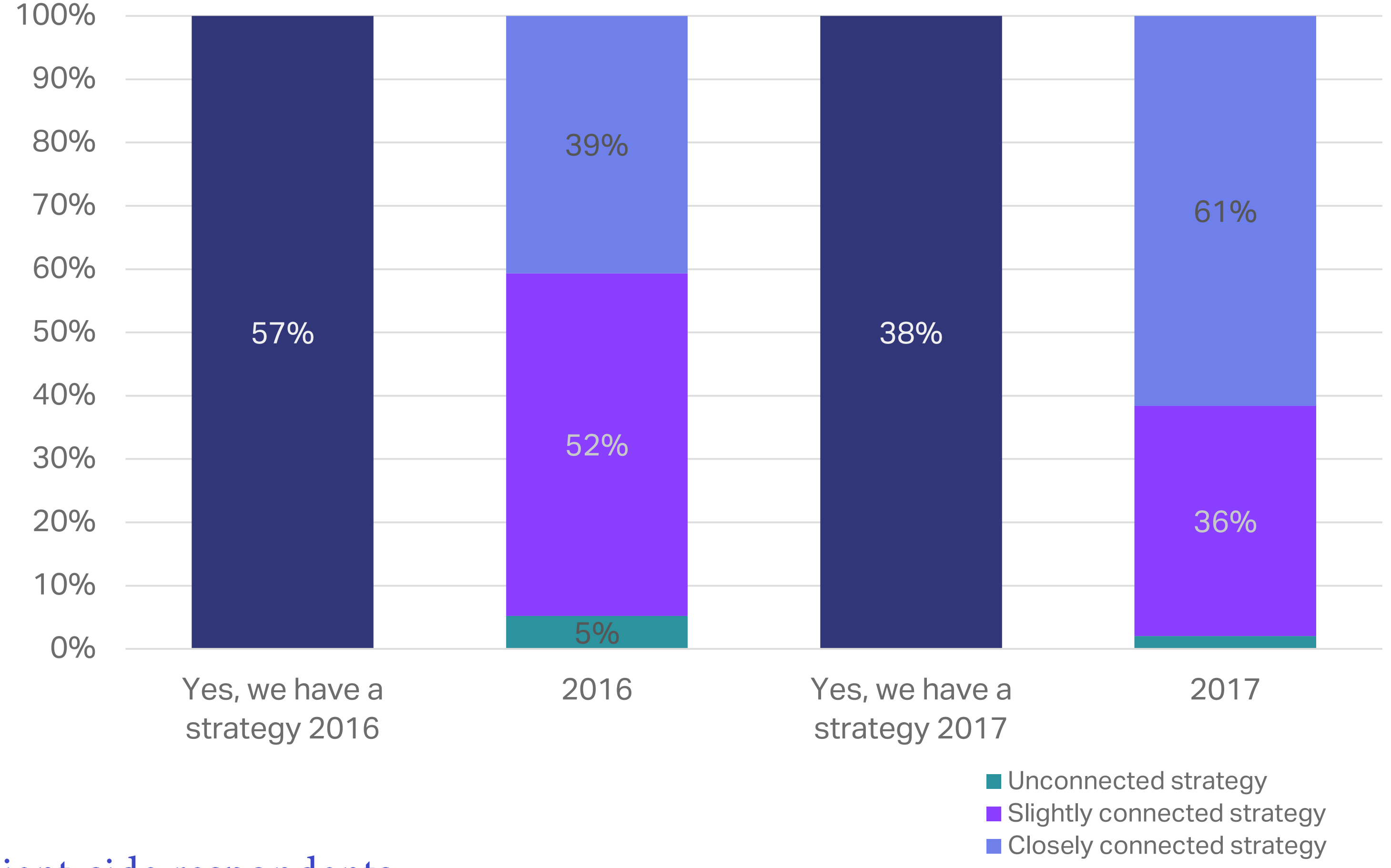

## Commentary

- The fact that there is still work to be done on mobile effectiveness is reflected in rating of mobile as only 'quite' important for marketers in 2017.
- Surprisingly, the perceived importance of mobile appears to have decreased since 2016, with a drop of 21 percentage points in the proportion of those rating mobile marketing as 'very important'.

## Client-side respondents

Q: *Overall, how important do you think mobile marketing (in all forms) will be for you this year?*
*2016 n=365, 2017 n=126*

# There is a lack of formal mobile strategies



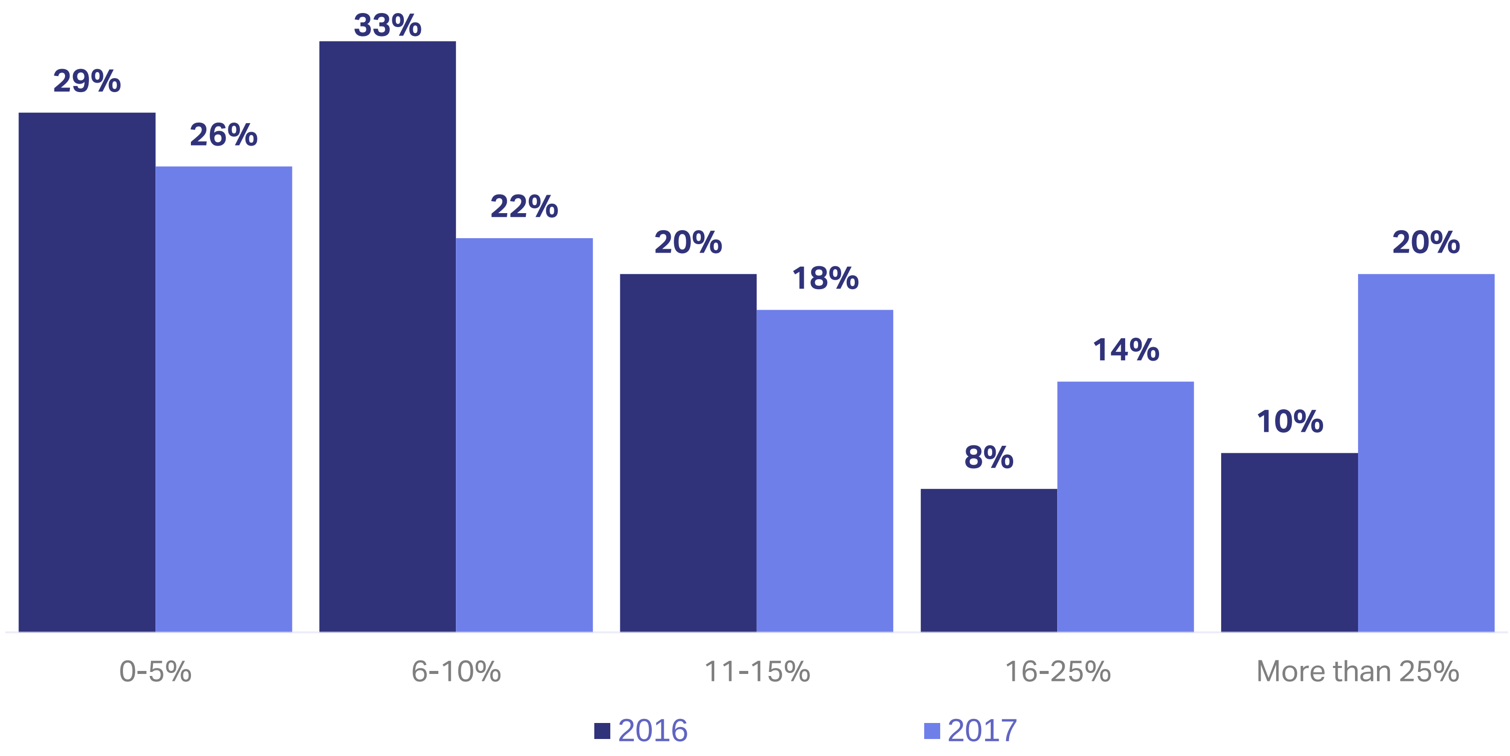

## Client-side respondents

Q: *Do you have a formal mobile marketing strategy for your brand and if so how closely is it integrated with other marketing activities? n=122*

## Commentary

- The majority (62%) of client-side marketers do not have a formal mobile marketing strategy for their brand. This is a reduction on last year, however, as mobile has increasingly become an integral part of digital, the need and benefit of having a separate strategy for mobile comes into question.
- For those brands that that do have a mobile strategy, 61% said this strategy is closely connected to other marketing activities, and only 3% are not connected at all.
- This is an improvement on 2016, when 5% of those with a mobile strategy said it was not at all integrated with other marketing activities.

# Mobile budget allocation has increased



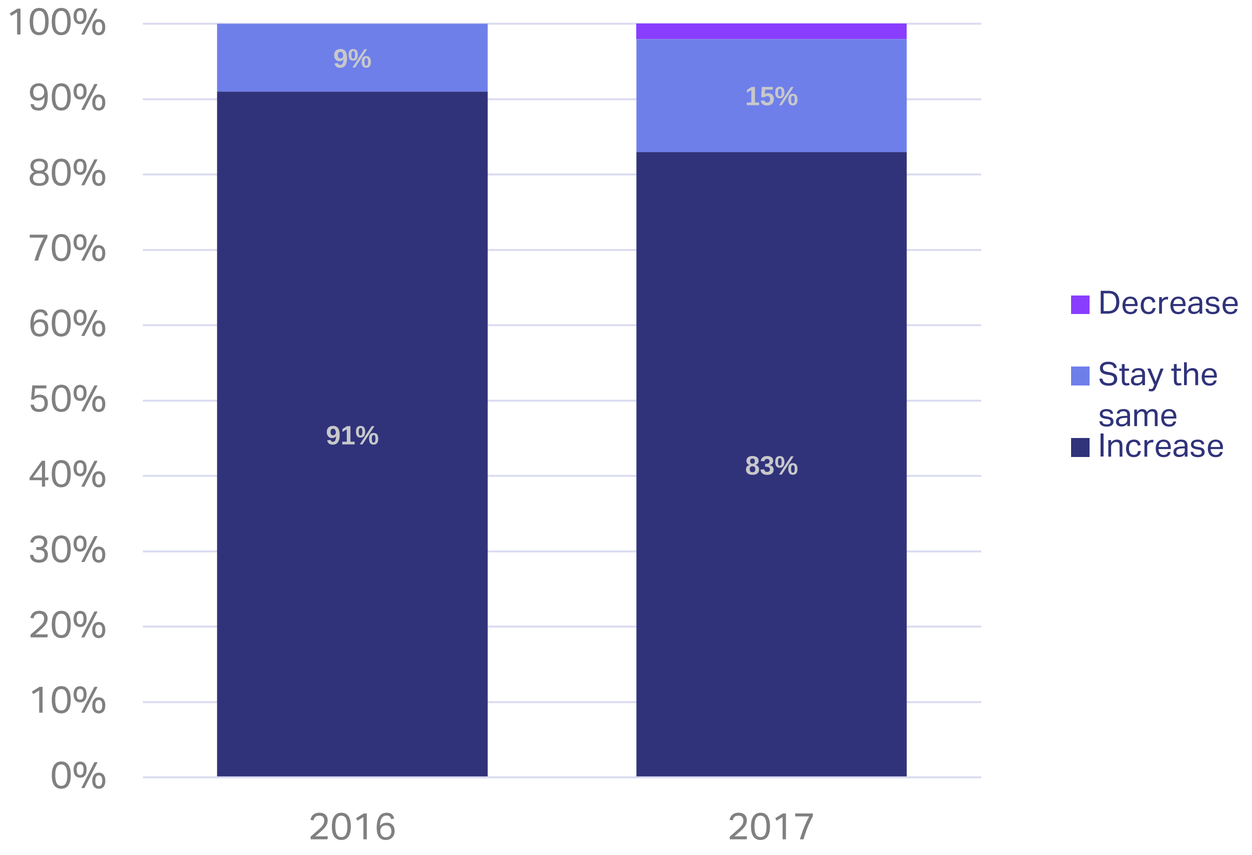

## All respondents

Q: *What percentage of your, or your clients' typical, overall marketing budget is being allocated to mobile marketing and advertising? n=52*

## Commentary

- Client-side marketers are most likely to assign less than 5% of their overall marketing budget to mobile in 2017.
- However, there is evidence here that mobile budgets are increasing. Since 2016, the proportion of respondents allocating more than 15% of their budget to mobile has increased by 16 percentage points.
- This year, 20% of respondents are allocating more than a quarter of their budget to mobile on average across EMEA.

# Increasing mobile budget allocation is set to continue



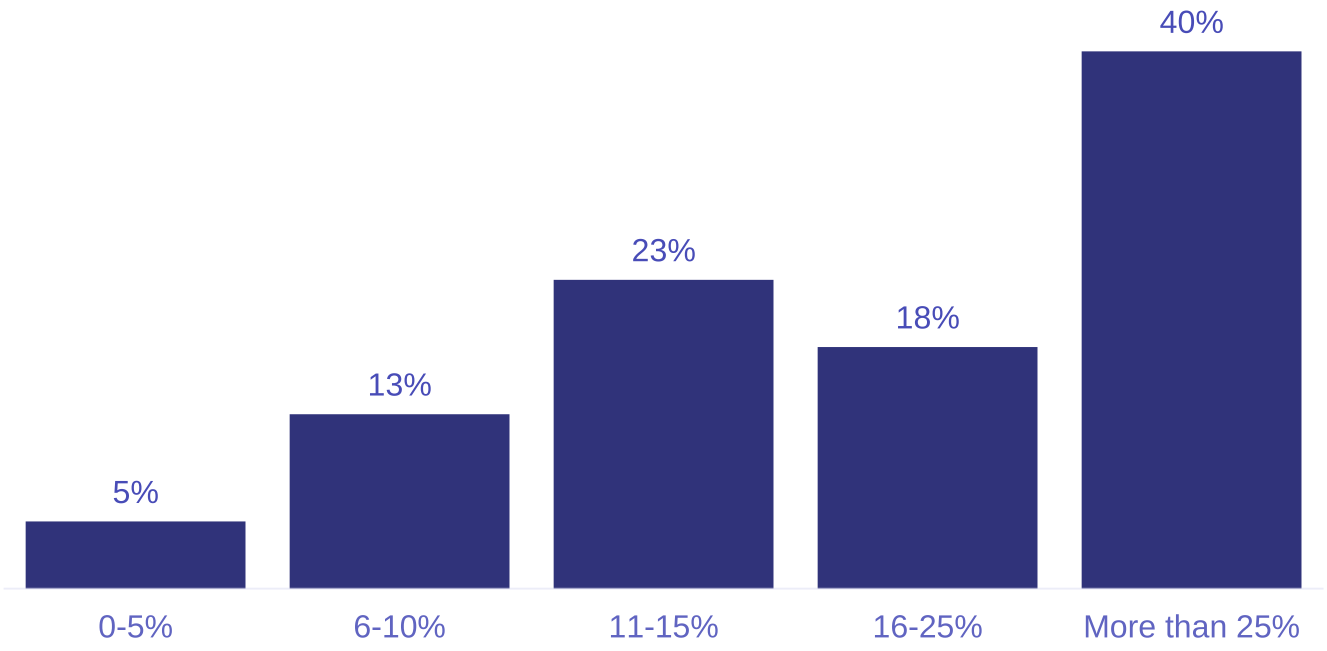

## Client-side respondents

Q: *How do you expect your mobile marketing budget to change over the next 12 months? n=134*

## Commentary

- Almost three quarters (74%) of marketers on the client-side expect their budgets to increase over the next year in EMEA, with an almost identical proportion in North America stating the same.
- Client-side marketers in EMEA are currently allocating on average 12% of their marketing budgets to mobile. In five years' time, they expect this to have increased to 22% on average.
- A third of marketers in EMEA assign between 0 and 5% of their marketing budget to mobile. However, this low proportion is set to increase over the next five years, and by 2022, 40% of EMEA marketers expect more than 25% of their budgets to be assigned to mobile.

# In five years' time, two in five marketers will spend more than a quarter of their budget on mobile




## Client-side respondents

Q: *What percentage of your overall marketing budget do you expect to be allocated to mobile marketing and advertising in five years' time? n=119*

### Commentary

- Asked to predict their allocation of budget to mobile in five years' time, 40% expect more than a quarter of their budgets to be spent on mobile, compared to only 5% allocating less than 5% to the channel.

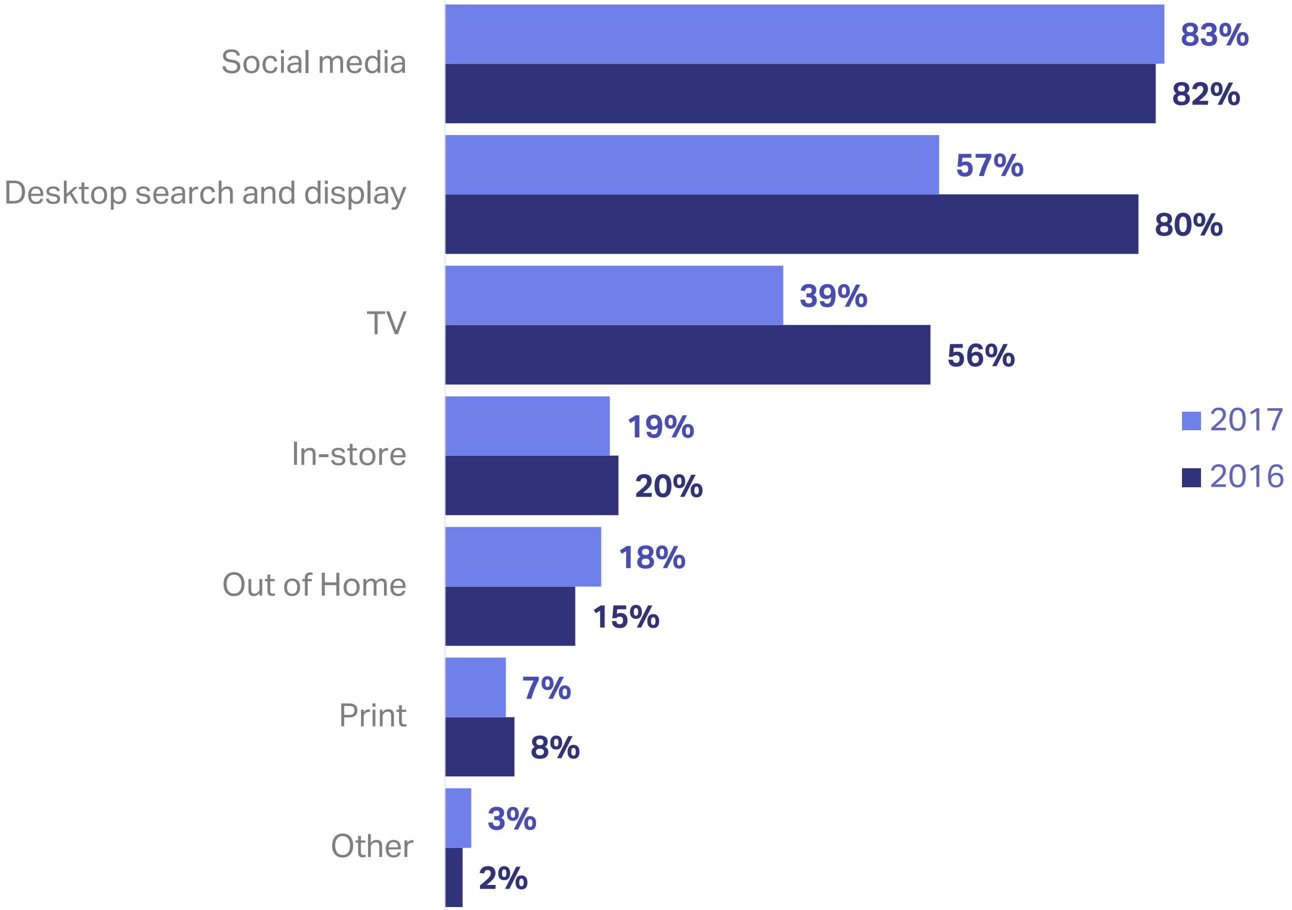
Chapter 4

# Mobile tactics and technologies

# Key Insights

- Social media is the most frequently used media channel with mobile; Facebook is the most used platform
- Display and search are the most popular forms of mobile advertising. Branded content has the most potential
- Mobile video and social advertising are the focus for 2017
- Location data is at the core of mobile. The Internet of Things and smart home technologies will drive mobile growth by 2022

# Social media is the most frequently-used media channel with mobile




All respondents

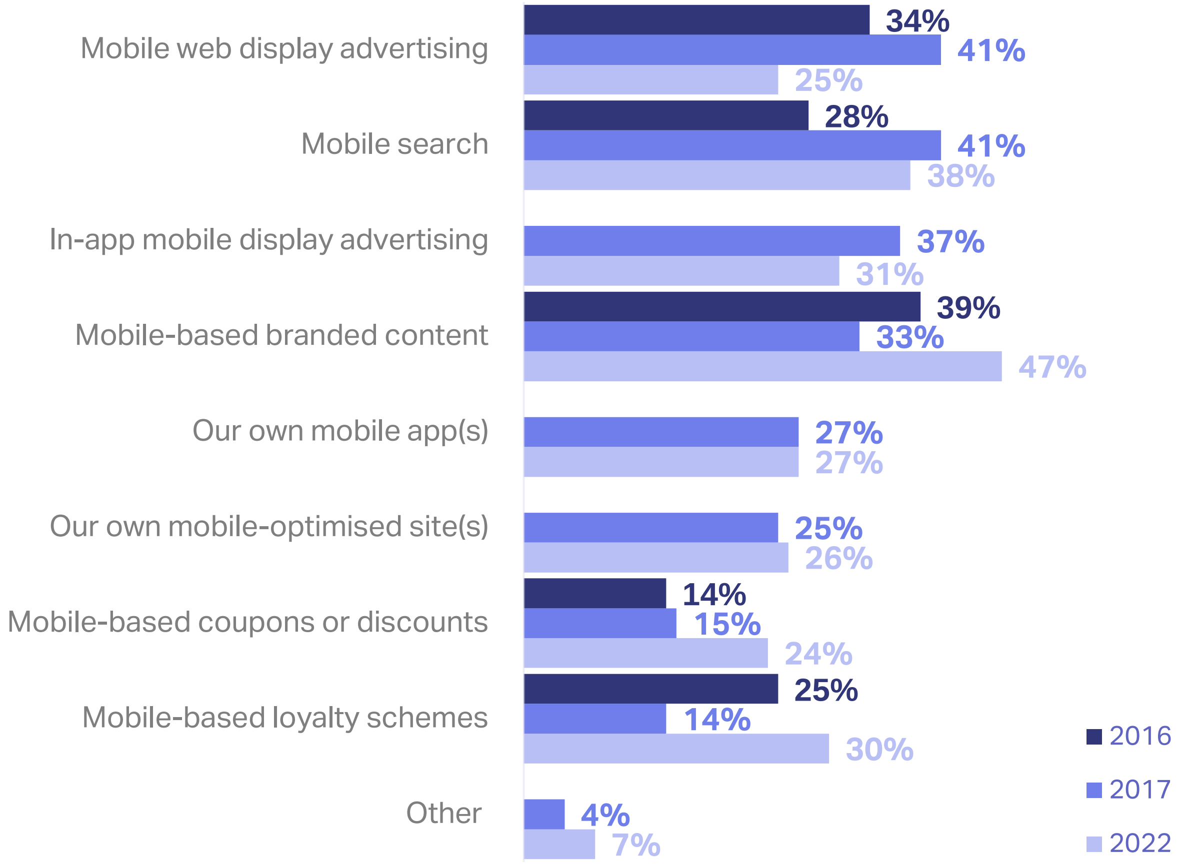
Q: *In your experience, which media channels are used most frequently with mobile? n=391*

## Commentary

- Social platforms are used widely (83%) alongside mobile in campaigns, followed by desktop search and display being used by 57%.
- Recent innovations from Facebook and Instagram, such as Facebook Pages and Instagram Business Profiles, have brought new opportunities for marketers to reach larger audiences via their mobile phones.
- Of those who selected social media, 95% said they had used Facebook for mobile marketing, followed by Instagram (77%), YouTube (76%), Twitter (60%) and Snapchat has been used by 21%.

*Nb. Desktop search and display read 'Online (including search)' in 2016 survey.*

# Display and search are the most popular form of mobile advertising. Branded content has the most potential



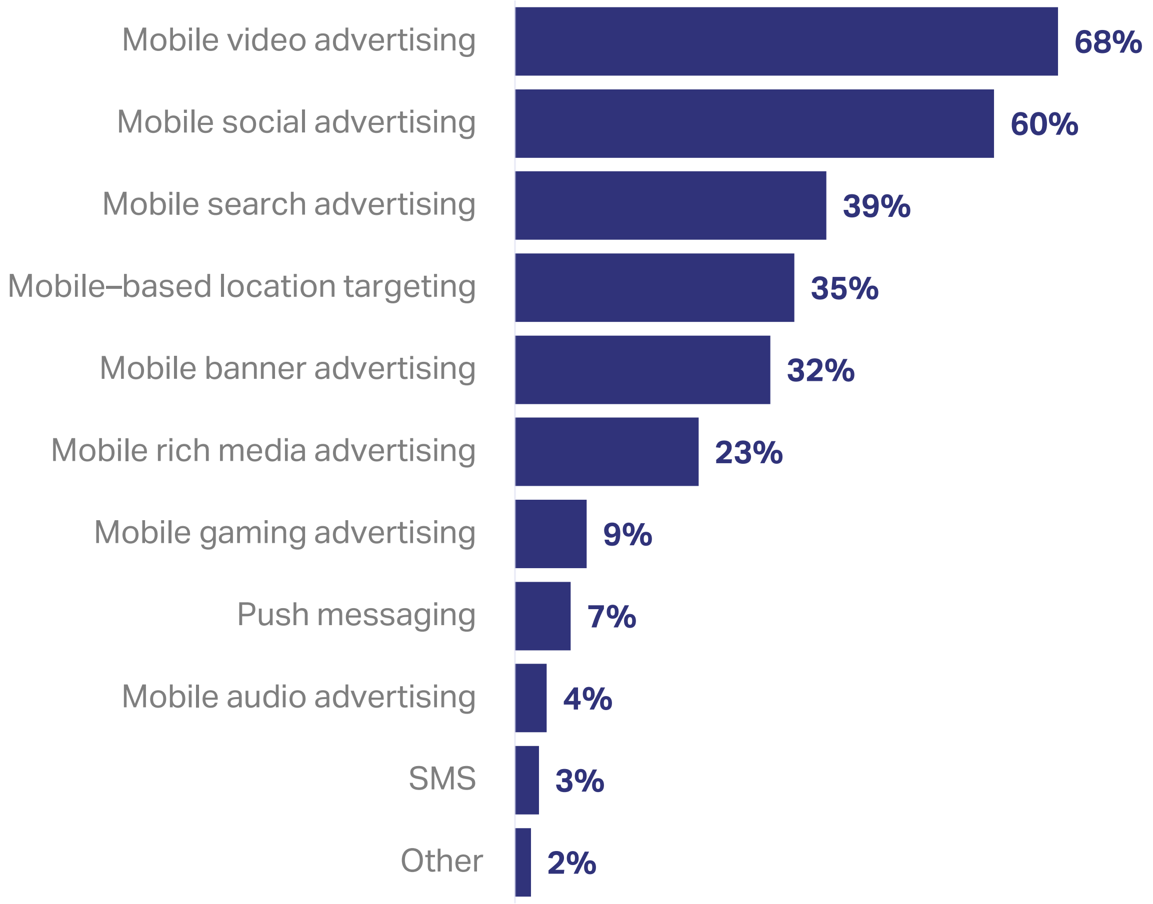

## Commentary

- Over the next year, marketers are focusing on *mobile web display advertising* (41%) and *mobile search* (41%), with significantly fewer prioritizing *loyalty schemes* (14%) and *mobile coupons* (15%).
- Asked what they expected to be focusing on in five years' time, *branded content* emerges as the focus. This is likely a reflection of the expectation that screens and devices will become increasingly suited for consuming longer-form content, and mobile-optimised websites the norm.
- After content, *mobile search* is expected to be a continued focus for more than a third (38%), and *mobile-based loyalty schemes* are expected to rise significantly in the priorities of marketers, from 14% to 30% by 2022.

## All respondents

Q: *Which types of mobile marketing and advertising are you/your clients focusing most on in your marketing activities in 2017 and in five year's time? n=368*

# Mobile video and social advertising are the focus for 2017



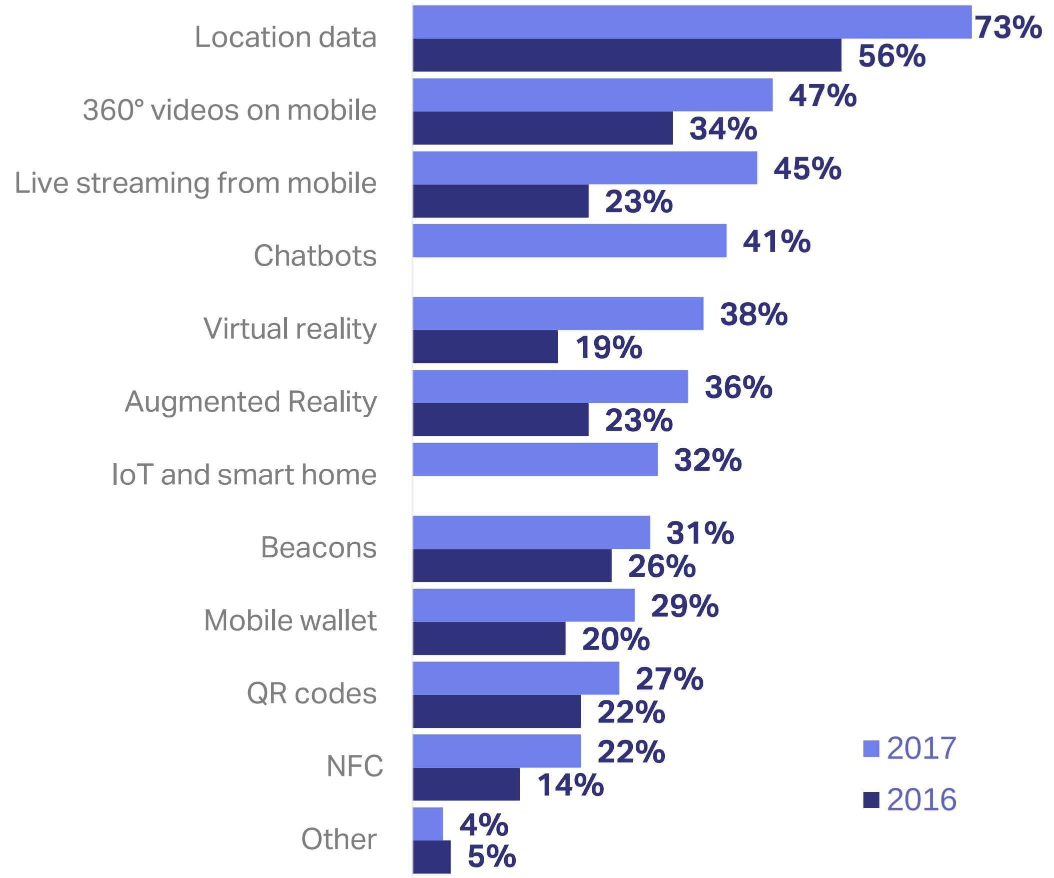

## Commentary

- In EMEA, *mobile video advertising* is a focus for 68% of respondents, followed by 60% using *mobile social advertising* .

## All respondents

Q: *Specifically for mobile advertising, which of the following are you/your clients planning to focus on in 2017? n=225*

# Location data is at the core of mobile



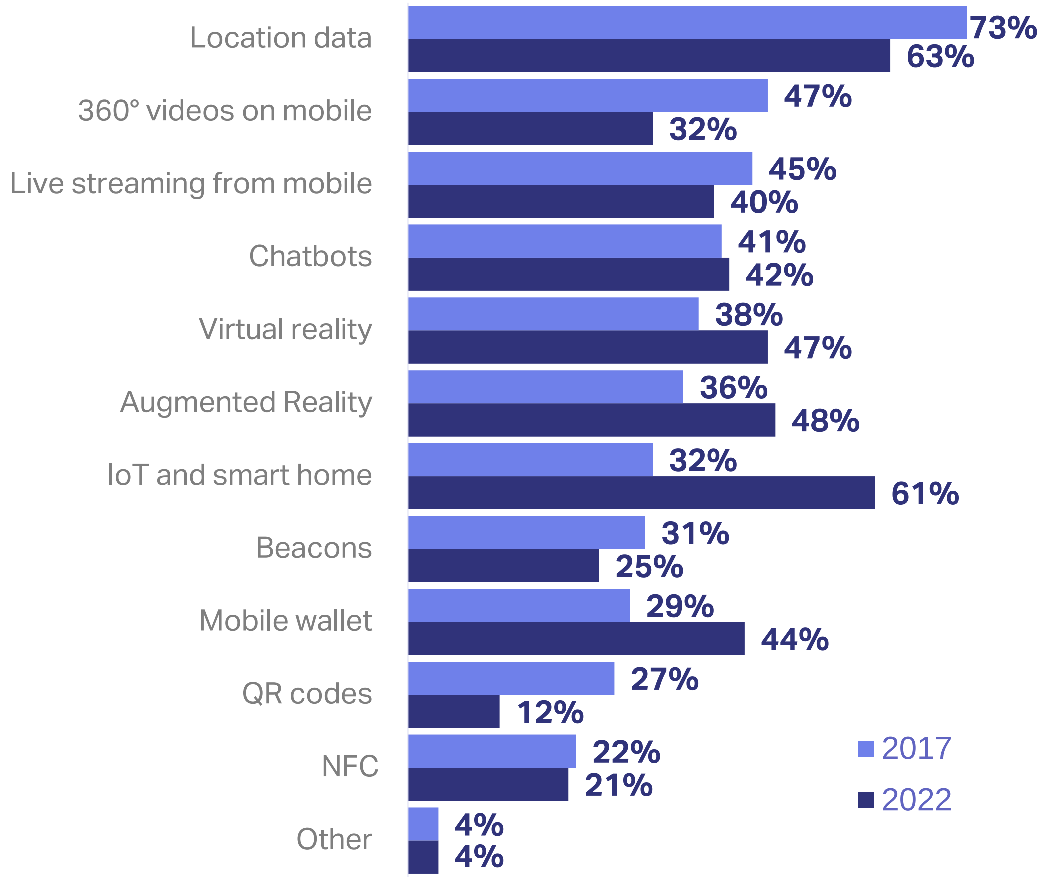

## Commentary

- This year, more than 70% of marketers will use location data as part of their mobile marketing strategy – 26 percentage points higher than use of any other mobile technology.
- Live streaming from mobile has increased in significance for marketers in EMEA. 45% of respondents are planning to use live streaming technologies this year, compared to only 23% saying the same last year.
- Chatbots and the IoT and smart home were added as options for this years' survey.

## All respondents

Q: *Are you/your clients planning to use any of the following and their associated mobile technologies in 2017? n=283*

# The Internet of Things will drive mobile growth by 2022




## All respondents

Q: *Are you/your clients planning to use any of the following and their associated mobile technologies in 2017 and in five years' time? n=283*

## Commentary

- Though still expected to be most used, interestingly, a reduced proportion of respondents expect to be using location data by 2022: 63% compared to 73% this year.
- By 2022, the Internet of Things and smart home technologies will be leading the chase – 61% expect to be using them in five years' time.
- Use of mobile wallets and virtual reality technology is also expected to increase significantly over the next five years.

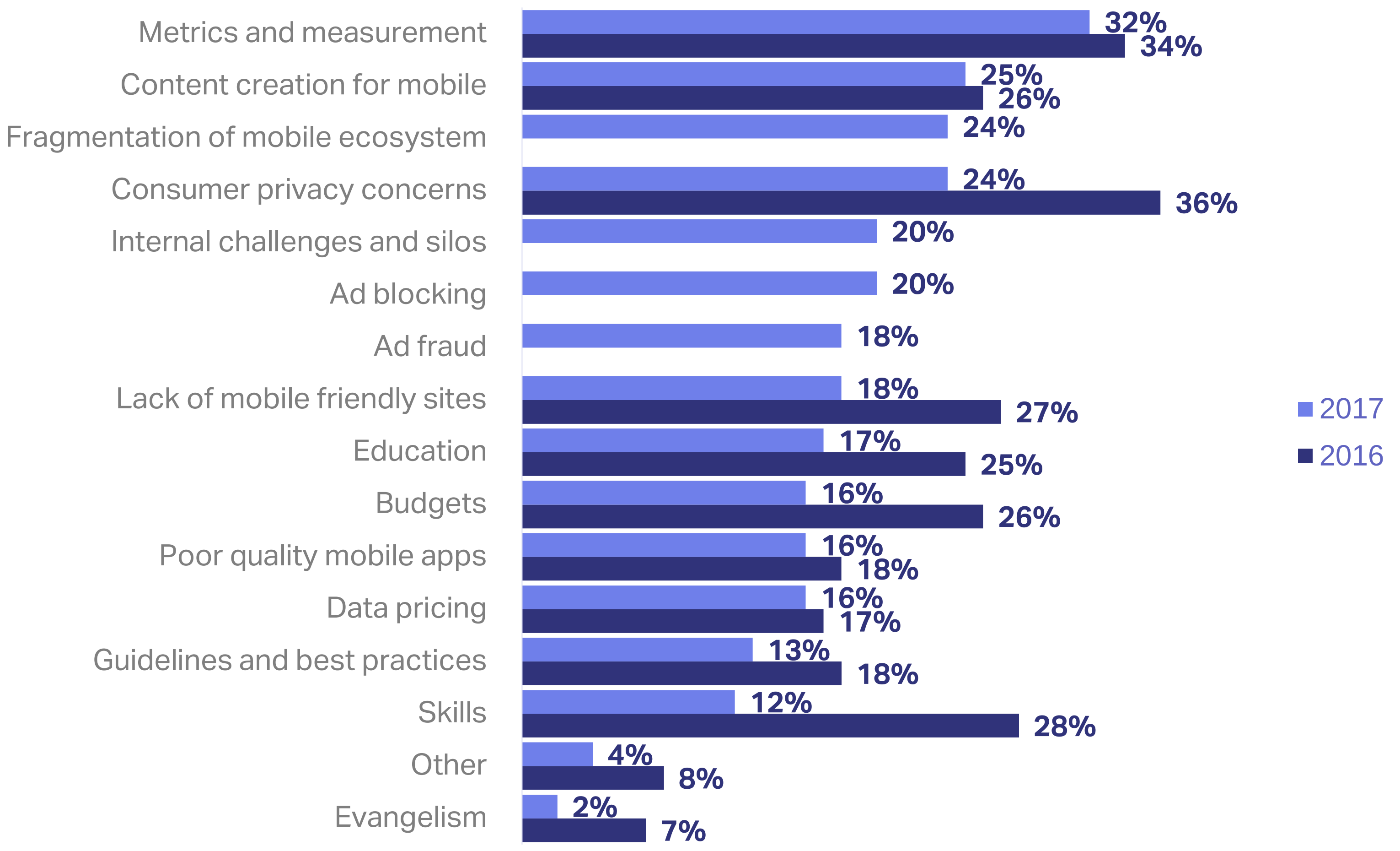
Chapter 5

# Barriers and challenges

# Key Insights

- Measurement of mobile is a problem for marketers
- Mobile marketing effectiveness is measured through engagement metrics like sharing and video completion rates
- The cost of advertising is increasing, but the majority find buying advertising easy

# Measurement of mobile is a problem for marketers



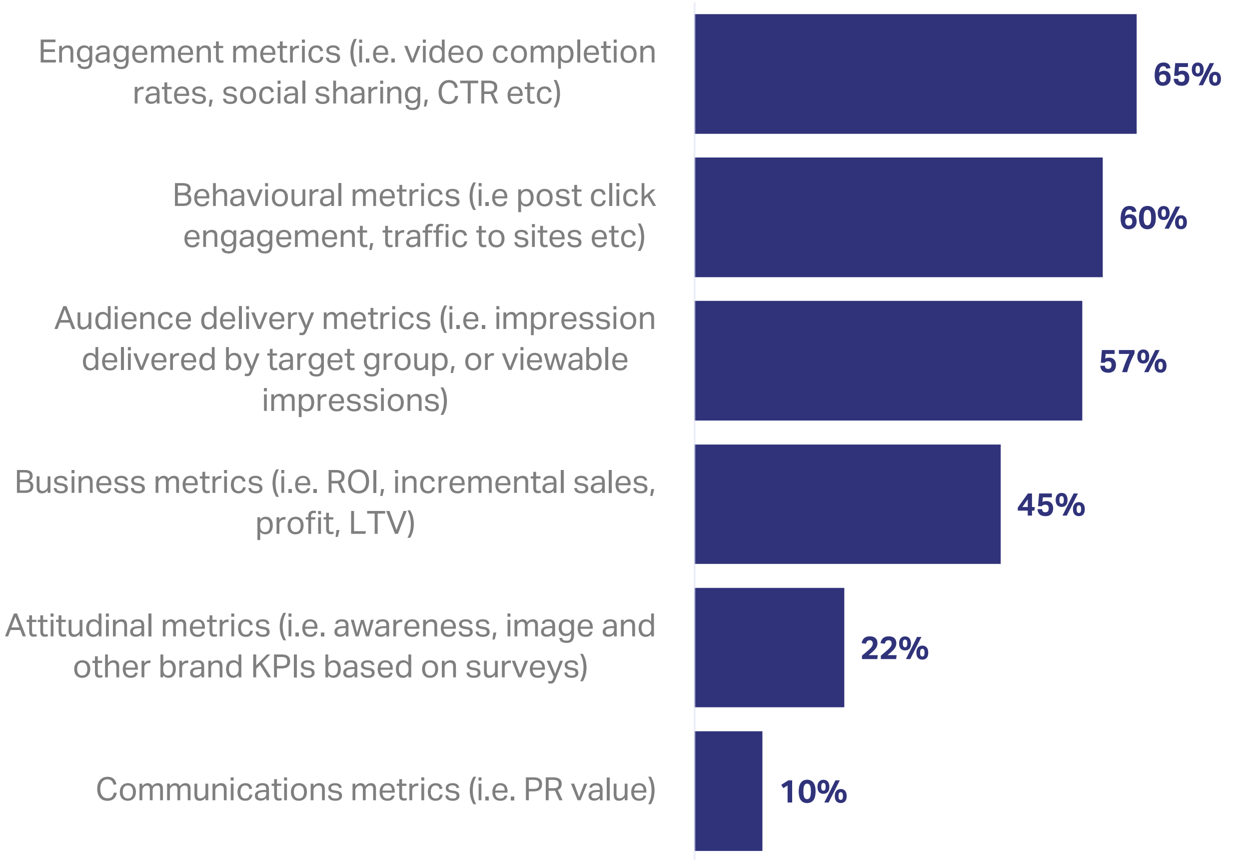

## Commentary

- The biggest barrier to the growth of mobile in EMEA is measurement and metrics, according to almost a third of marketers surveyed.
- Although internal challenges and silos are a problem for 20%, encouragingly skills are a barrier for only 12%.
- Missing data for 2016 are where options were added to refresh the 2017 survey.

## All respondents

Q: *In your opinion, what are the biggest barriers to the growth of mobile marketing and advertising in EMEA? n=452*

# Mobile marketing effectiveness is measured through engagement



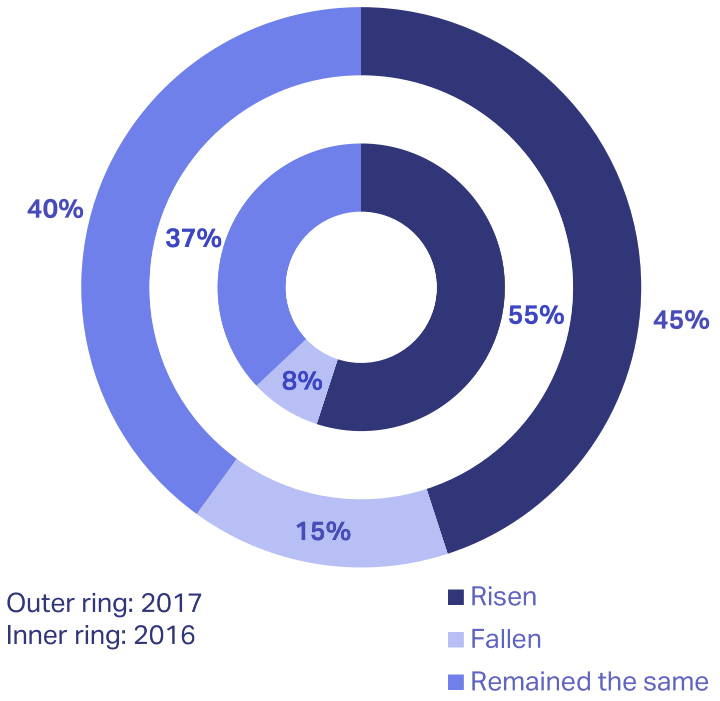

## All respondents

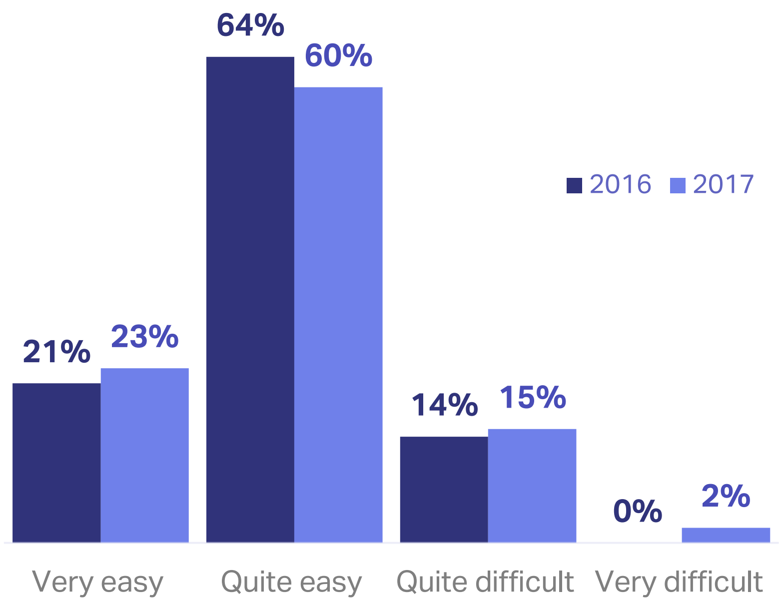
Q: *Which of the metrics below do you or your clients most use to measure mobile marketing effectiveness? n=375*

### Commentary

- Metrics and measurement are the biggest barriers to growth, indicating that work needs to be done on tracking the metrics shown on this chart.
- Engagement metrics are used by the biggest proportion of marketers in EMEA (65%) to measure mobile marketing effectiveness, followed by a similar number tracking behavioural metrics.

# The cost of advertising is increasing, but buying is easy




## Commentary

- The cost of mobile advertising is increasing on average in EMEA, and only fallen in the opinion of 15%. Last year, respondents were slightly more likely to say the cost of advertising had risen, but the overall picture remains the same.
- Marketers continue to find buying advertising to be relatively easy, with a slight increase in the proportion of marketers finding it 'very easy' in 2017, indicating a developing mobile adtech industry.

## All respondents (*involved in trading*)

Left: Q: *In your experience, compared to last year, how has the cost of mobile advertising changed? 2016 n=275, 2017 n=144*
Right: Q: *How easy do you find buying mobile advertising? 2016 n=272, 2017 n=144*

# Things to take from this report

1

2

3

4

### Mobile Disruption

Mobile disruption continues to intensify, with financial services and retail leading the way in terms of innovation. 44% of the surveyed marketing professionals are already feeling the disruption, while almost half are expecting a bigger impact in the near future.

### Mobile strategy, budgets and integration

Although mobile is gaining executive support organizations are still not ready: many feel that they are not ready to collaborate with external agencies and partners to elevate their mobile marketing, and there is an overall lack of formal mobile strategies and integration of mobile with traditional media.

At the same time mobile budgets are set to increase: 20% currently spend more than a quarter of their budget in mobile, and this is set to double by 2022.

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# More from WARC

### About the study

This report is based on an online survey of 597 marketing professionals, carried out in March and April 2017.

The survey link was disseminated to WARC and MMA lists, and respondents received a complimentary copy of the report in addition to being entered into a prize draw.

Respondents were based in EMEA, and were a mix of client-side, agency and technology vendor marketers.

### About WARC

WARC.com is an online service offering advertising best practice, evidence and insights from the world's leading brands. WARC helps clients grow their businesses by using proven approaches to maximise advertising effectiveness.

WARC's clients include the world's largest advertising and media agencies, research companies, universities and advertisers.

### About the MMA

The MMA is the world's leading global non-profit trade association composed of more than 800 member companies, from nearly fifty countries around the world. Our members hail from every faction of the mobile marketing ecosystem including brand marketers, agencies, mobile technology platforms, media companies, operators and others. The MMA's mission is to accelerate the transformation and innovation of marketing through mobile, driving business growth with closer and stronger consumer engagement.

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