



# WARC<sup>^</sup>

## The State of the Industry: Mobile Marketing in EMEA 2019



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# Things to take from this report

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## Mobile disruption

Mobile continues to disrupt industries with financial services leading the way in terms in innovation, as well as Amazon which was deemed the most innovative company for the second year in a row. Over half the surveyed marketing professionals are already feeling the disruption while 43% expect a bigger impact in the future.

## Mobile strategy, budgets and integration

Although mobile strategies are becoming slightly more connected to other marketing activities, marketers in Middle Eastern and African markets find it harder to transfer strategies across countries than their European counterparts.

Mobile budgets continue to increase, with 40% of respondents now allocating more than a quarter of their marketing budgets to mobile, and 75% expect their budgets to increase over the coming year.

## Mobile tactics

Display is the most popular form of mobile advertising but branded content continues to show the most potential for future growth. Location data remains at the core of mobile this year but marketers expect augmented reality and artificial intelligence to drive mobile growth by 2024.

Social media is the most commonly used channel with mobile, and the use of Instagram for mobile marketing has grown year on year.

## Barriers and challenges

Over 70% of marketers are confident that they fully consider viewability, fraud and transparency to ensure brand safety.

However, ad fraud and consumer privacy concerns are still an issue for a quarter of respondents, and accompany metrics and measurement as the main barriers to the growth of mobile marketing for marketers.

# Chapter 1

## Mobile disruption and innovation



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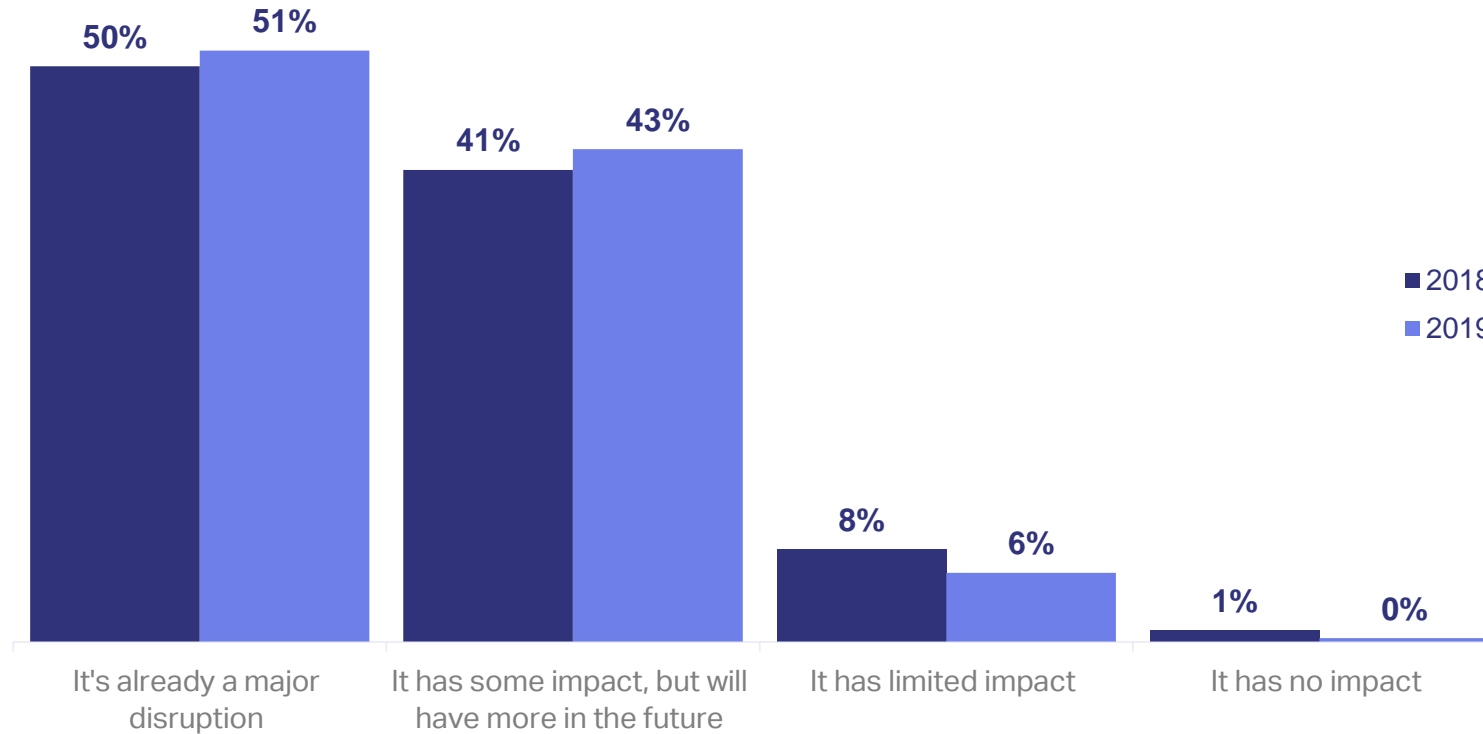
## Key Insights

- ✓ The disruptive force of mobile is felt across industries with 94% seeing an impact
- ✓ Mobile payments continue to be expected to have a big impact on the marketing industry
- ✓ Financial services is seen as the most innovative sector in mobile, closely followed by entertainment
- ✓ Amazon is regarded as the most innovative brand in EMEA for the second year in a row

# Mobile continues to disrupt across industries

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## Commentary

- ✓ Mobile remains a force to be reckoned with as every respondent said it has had some type of impact on their industry.
- ✓ 43% of these think the impact will continue to increase in the future.

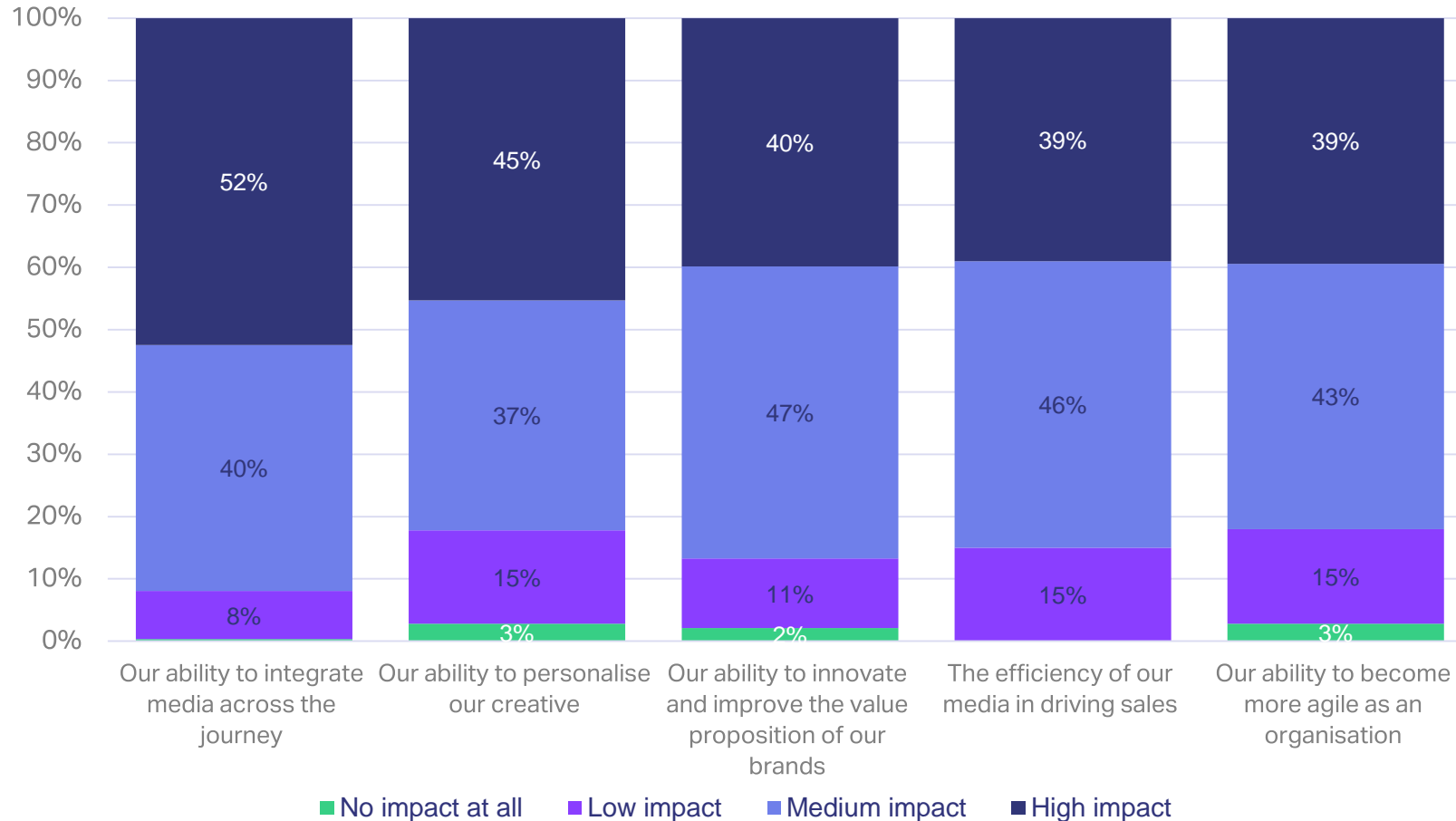
## All respondents

Q: To what extent do you think that mobile is impacting your industry? 2018 n=408, 2019 n=292

# Mobile enables media integration across journeys

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## All respondents

Q: What is the impact of mobile in each of the following marketing competencies? n=287

### Commentary

- ✓ For marketers, mobile has had the highest impact on integrating media across the journey with 92% of respondents saying it has had a medium or high impact.
- ✓ Respondents are more mixed on their perception of the impact of mobile on agility in their organisation, but the majority still see its impact as notable.

# Mobile payments remain highly significant for marketers

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## Commentary

- ✓ Mobile payments have remained significant for marketers in EMEA with 51% of respondents placing payments via mobile as a key consumer behaviour: the same proportion as in 2018. Watching video continues to rise in importance as the second highest option at 43%, a 4 percentage point increase from 2018.
- ✓ With the increase in popularity of voice activated devices such as Amazon's Alexa and Google Home, voice interaction was added as an option for this years' survey. It has already become a noteworthy behaviour for the marketing industry, selected by 27% of respondents.
- ✓ mCommerce has decreased from 41% in 2018 to 26% in 2019, a 15 percentage point decrease, but there is an evident crossover between this and mobile payments.

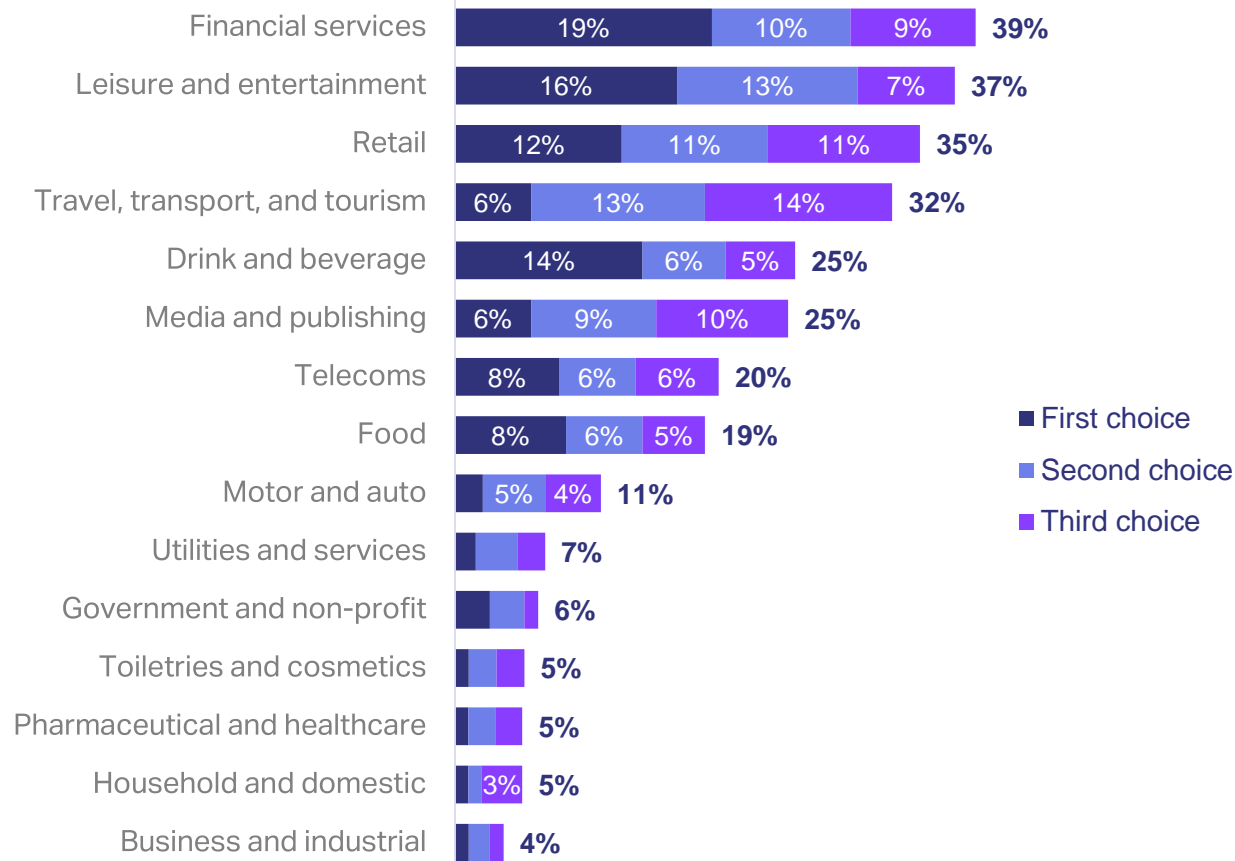
## All respondents

Q: Of the following consumer behaviours that are increasingly involving mobile devices, which do you think has the most significance for the marketing industry? 2018 n=355, 2019 n=259

# Financial services seen as the most innovative sector in mobile...

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## 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 on top, selected in total by 39% of respondents and ranked in first by 19%.

## All respondents

Q: In which sectors in EMEA, are you seeing the most innovation in mobile in the way that they are using mobile to reach customers? n=194



...while Amazon is seen as the most innovative brand in EMEA

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1 **amazon**

*"They touch the customers at relevant points of the customer journey and make it really easy to go from search, to find to purchase."*

2 **NIKE**

*"Great omnichannel strategy and mobile content."*

3 **Coca-Cola**

*"Their innovative use of sponsorships is communicated on mobile and social in a fun and interactive way."*

#### Commentary

- ✓ When asked about the most innovative brand in their region, Amazon was cited by the highest number of marketers, followed by Nike and Coca Cola.
- ✓ Quotes from survey respondents are shown below each, describing why they believe each is the most innovative brand.
- ✓ In 2018, 1, 2 and 3 were Amazon, Samsung and Coca-Cola respectively. While Amazon and Coca-Cola have remained in the top three, Nike placed second, with its integrated multichannel approach to reaching consumers and effective use of personalisation both mentioned by respondents.

## All respondents

Q: In your experience, which companies do you feel are being innovative in the way they are using mobile to reach consumers in? n=194

## Chapter 2

# Mobile strategy, budgets and integration

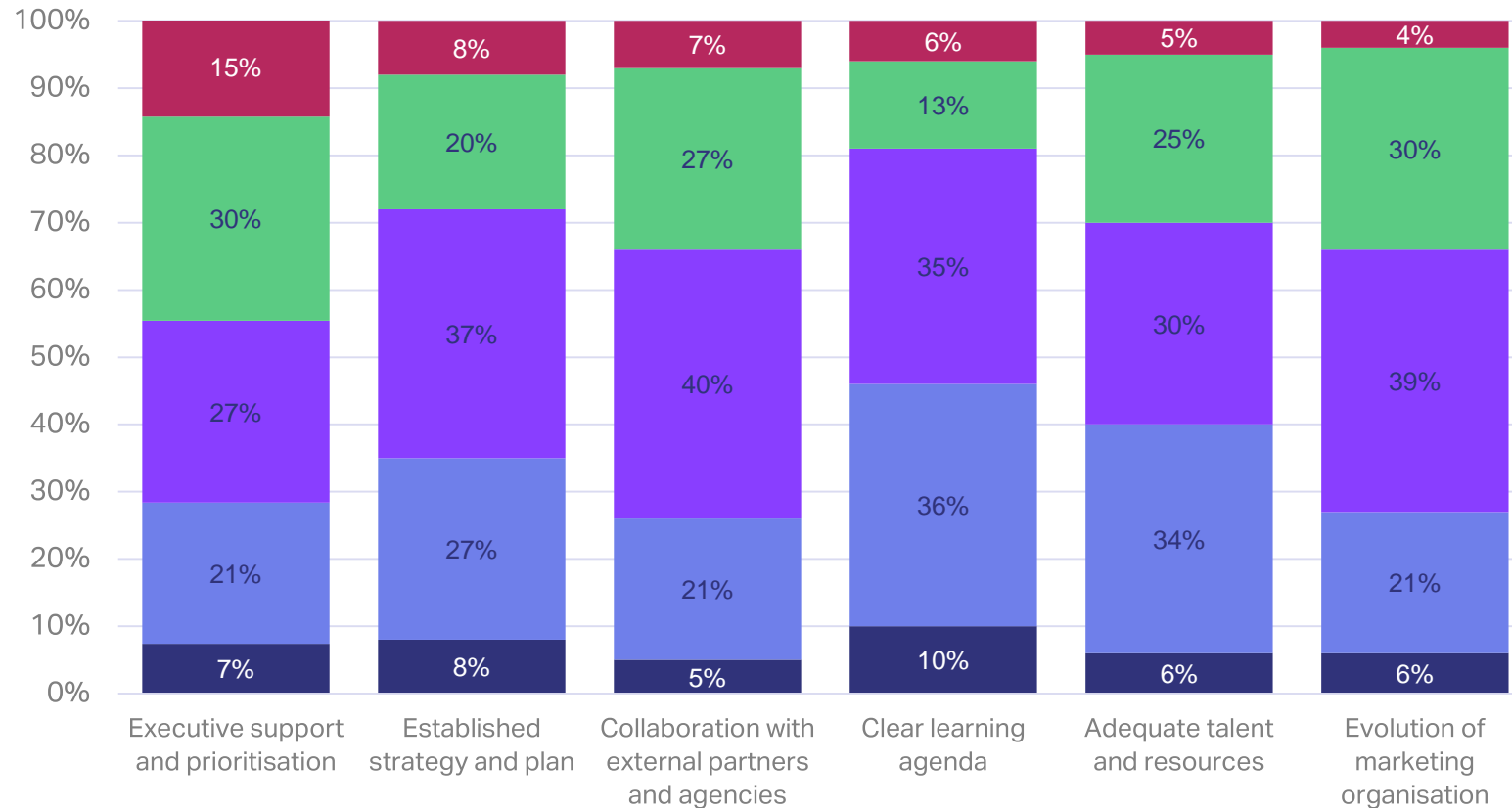


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## Key Insights

- ✓ Having a clear learning agenda remains a parameter where neither clients nor agencies feel ready for mobile adoption
- ✓ Transferring mobile strategies across countries is difficult in the Middle East
- ✓ Almost a third of people predict that they will spend more than 30% of their budget on mobile over the next year
- ✓ Martech will be a significant investment with 4/5 of respondents allocating up to 25% of their budget

# Readiness for mobile adoption is mixed



■ 5 - most ready ■ 4 ■ 3 ■ 2 ■ 1 - least ready

## 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=122

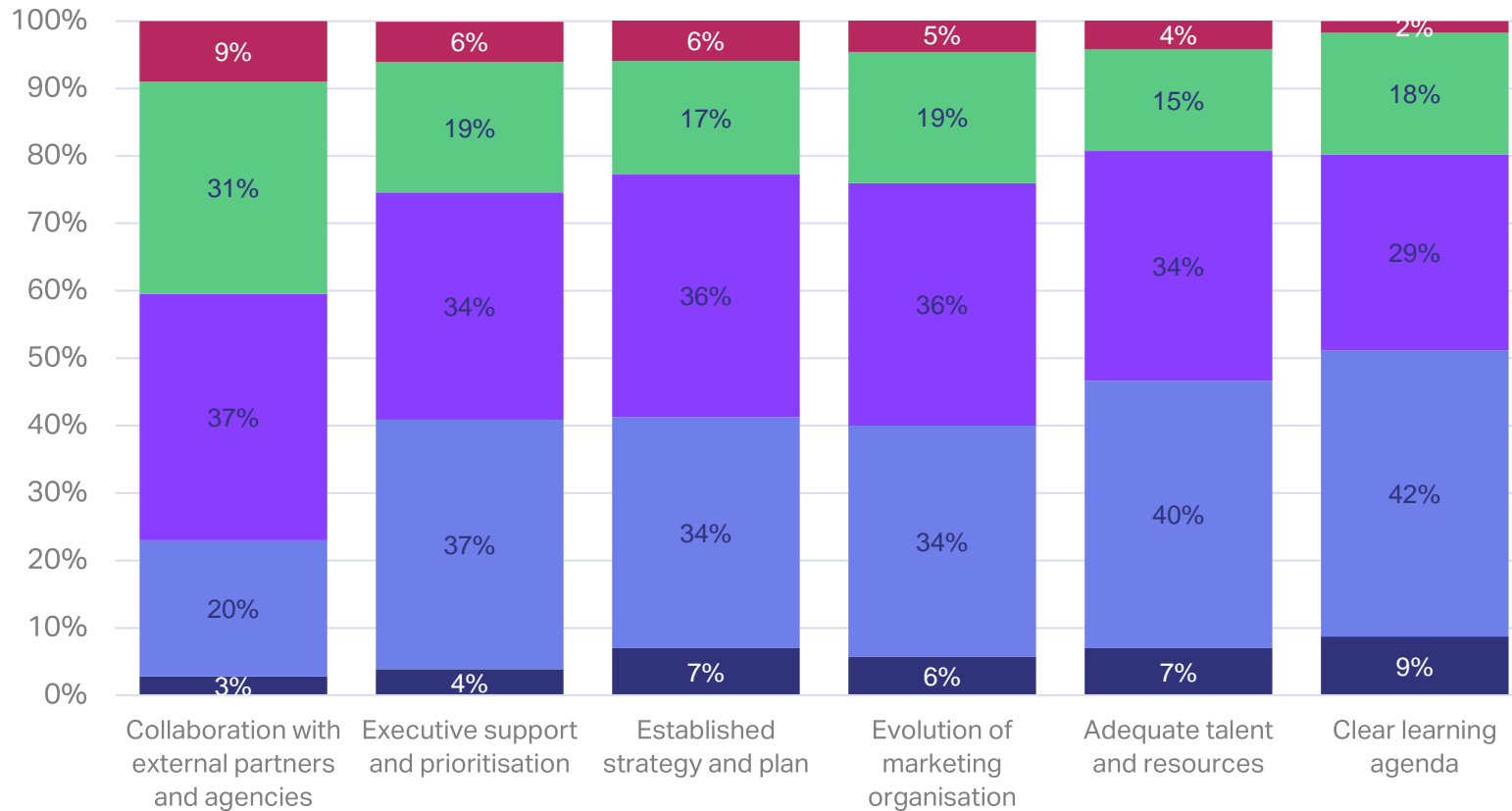
### Commentary

- ✓ 45% 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, however it is a decrease on last year's 54%.
- ✓ This is reflecting an overall drop in confidence for clients compared to last year. An example of this is a clear learning agenda which increased by 12 percentage points for respondents not feeling 'ready' (1 and 2).

# Agencies are less positive on their clients' readiness

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■ 5 - most ready ■ 4 ■ 3 ■ 2 ■ 1 - least ready

## Agency respondents

Q: How would you rate the level of your typical client's organisation when it comes to each of the following parameters in relation to mobile adoption in your company? n=181

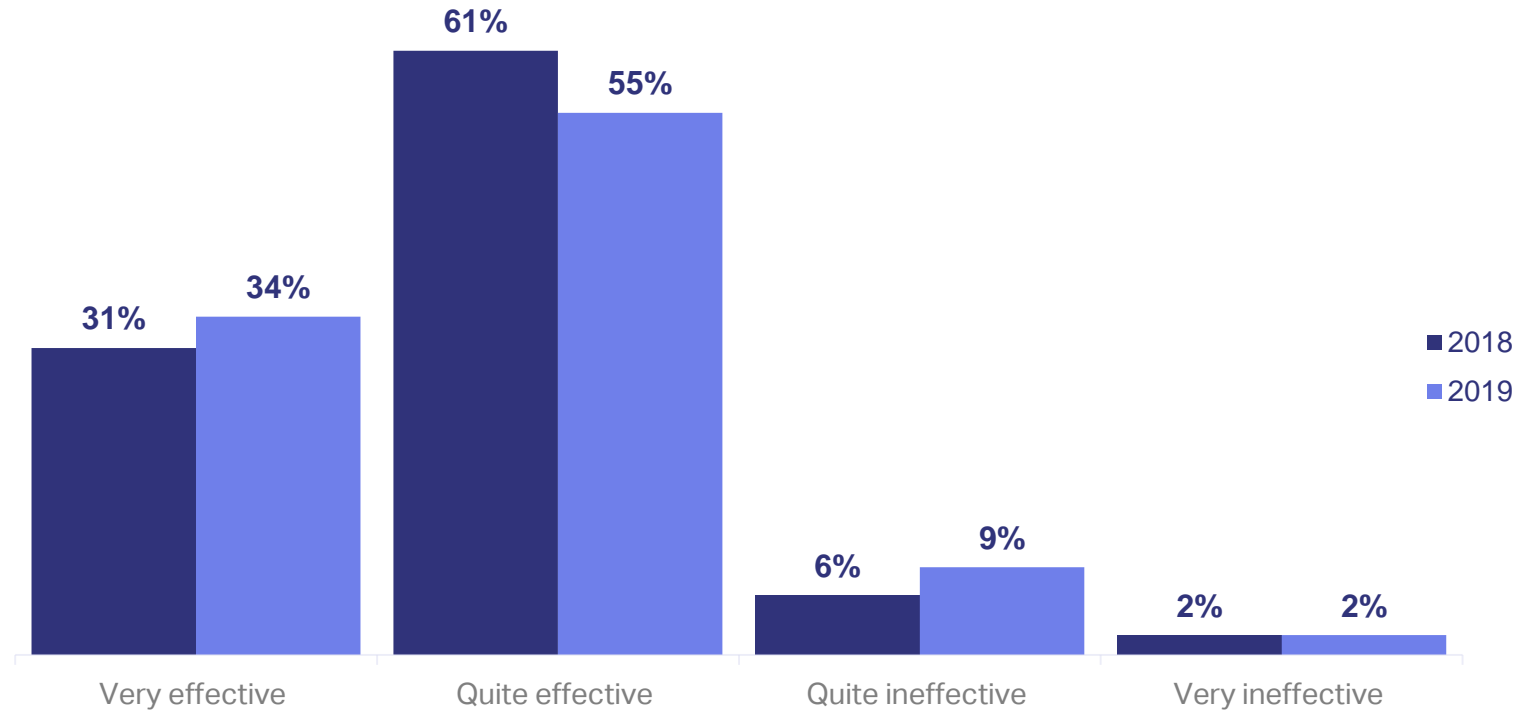
### Commentary

- Although agencies are less confident overall, collaboration with external partners and agencies is the only parameter where agencies are more confident (40%) than not (23%). This is also the only parameter where agencies are more confident than clients.
- At the other end of the scale, 9% of respondents are the least ready for mobile in terms of a clear learning agenda

# Mobile has not reached its potential for the majority

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## Commentary

- ✓ Although there has been an increase in the proportion of respondents that see mobile as very effective, for the majority, mobile is yet to reach its potential.

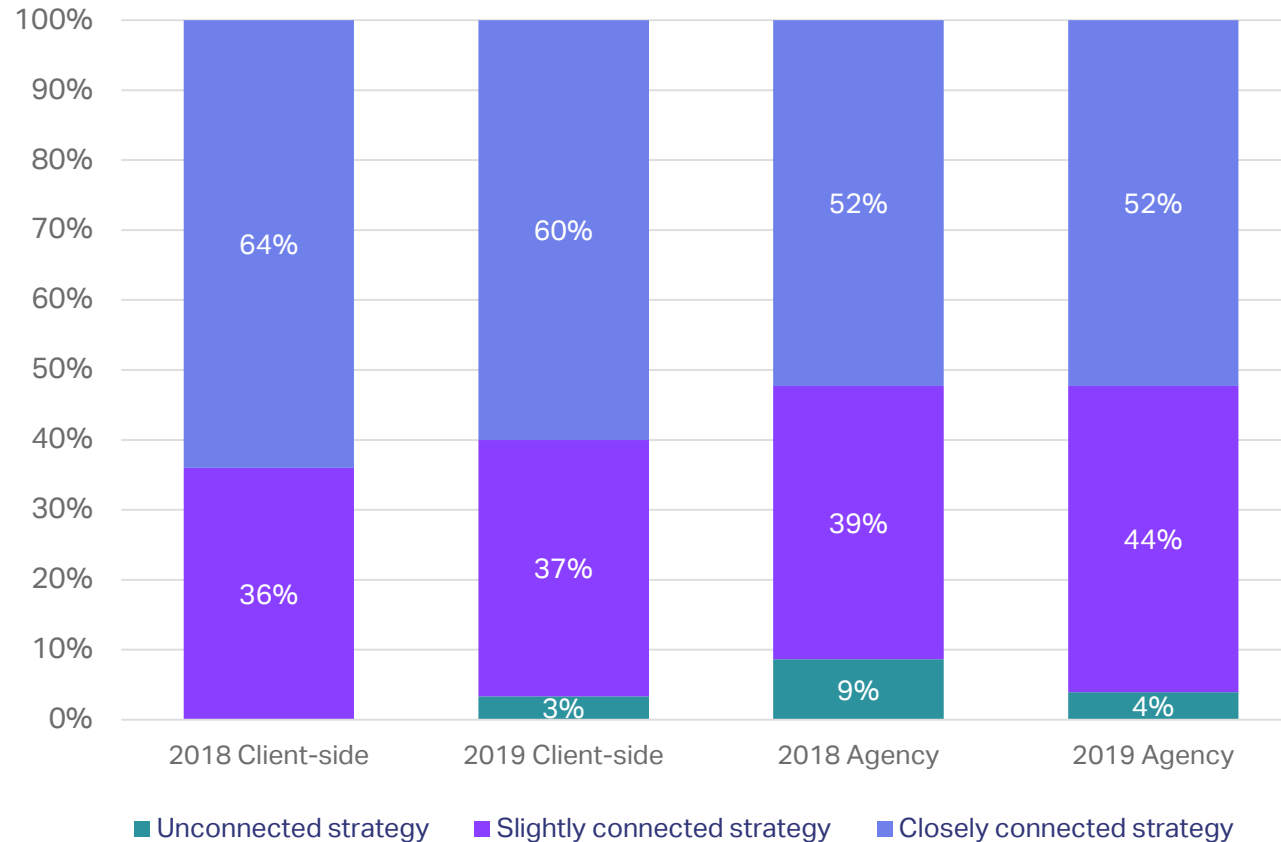
## All respondents

Q: In your experience, how effective are mobile devices or networks as a marketing channel? 2018 n=432, 2019 n=316

# Mobile is closely integrated with other activities

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## Commentary

- ✓ For the vast majority of marketers, mobile marketing activities are slightly connected or closely connected to their other marketing activities in the eyes of both client-side marketers and agencies.
- ✓ Channel-specific messaging that is consistent in message and tone across an omnichannel strategy is key to a good customer experience. Integration creates this seamless experience, but is difficult to achieve – this is reflected in these results, with more than a third of respondents having not achieved full integration of their channels.

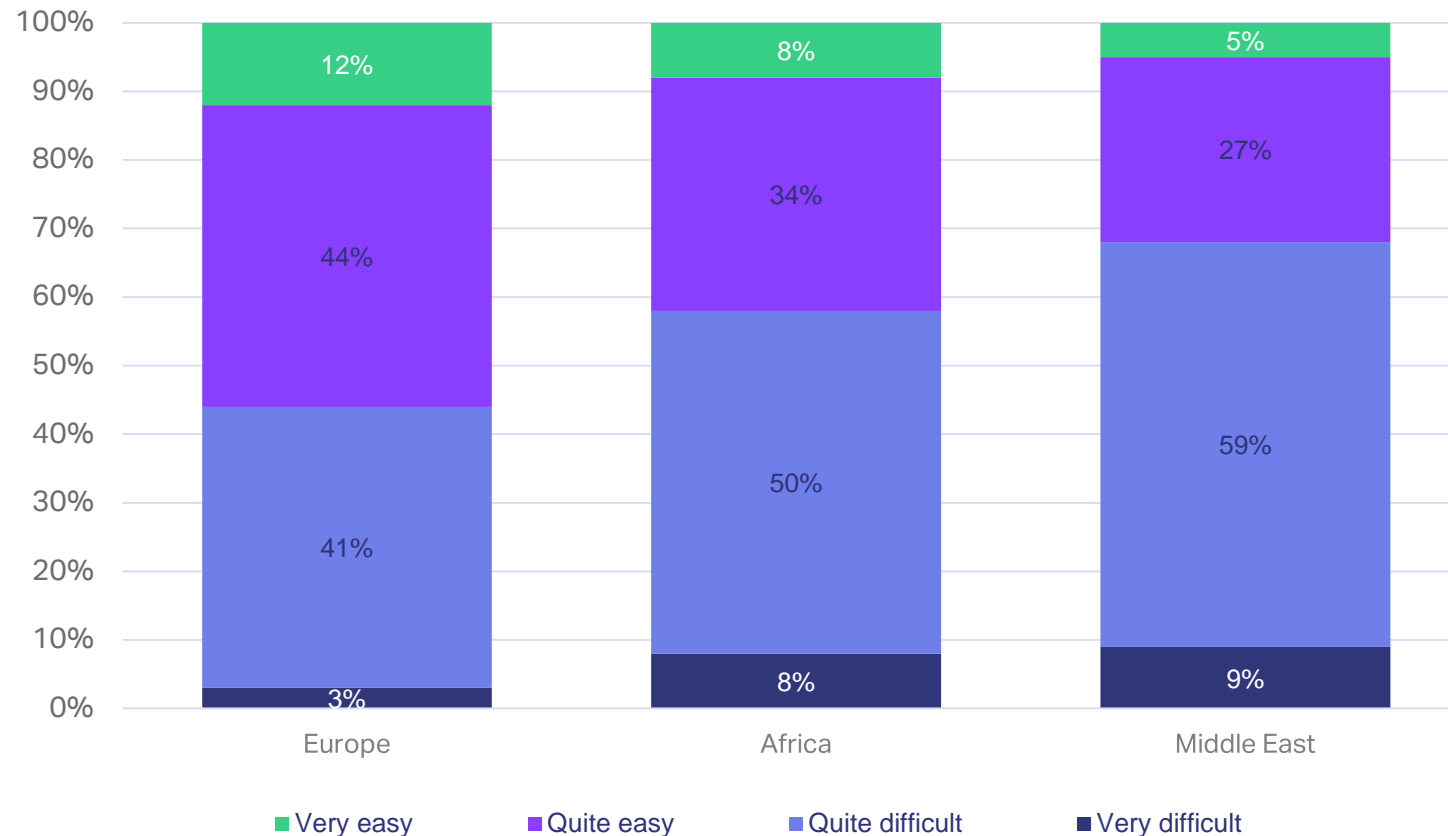
## All respondents

Q: How closely are your/your clients mobile marketing activities integrated with other marketing activities? 2018 Client n=44, 2019 Client n=90, 2018 Agency n=174, 2019 Agency n=179

# Mobile strategies transfer less well between countries in the Middle East

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## Commentary

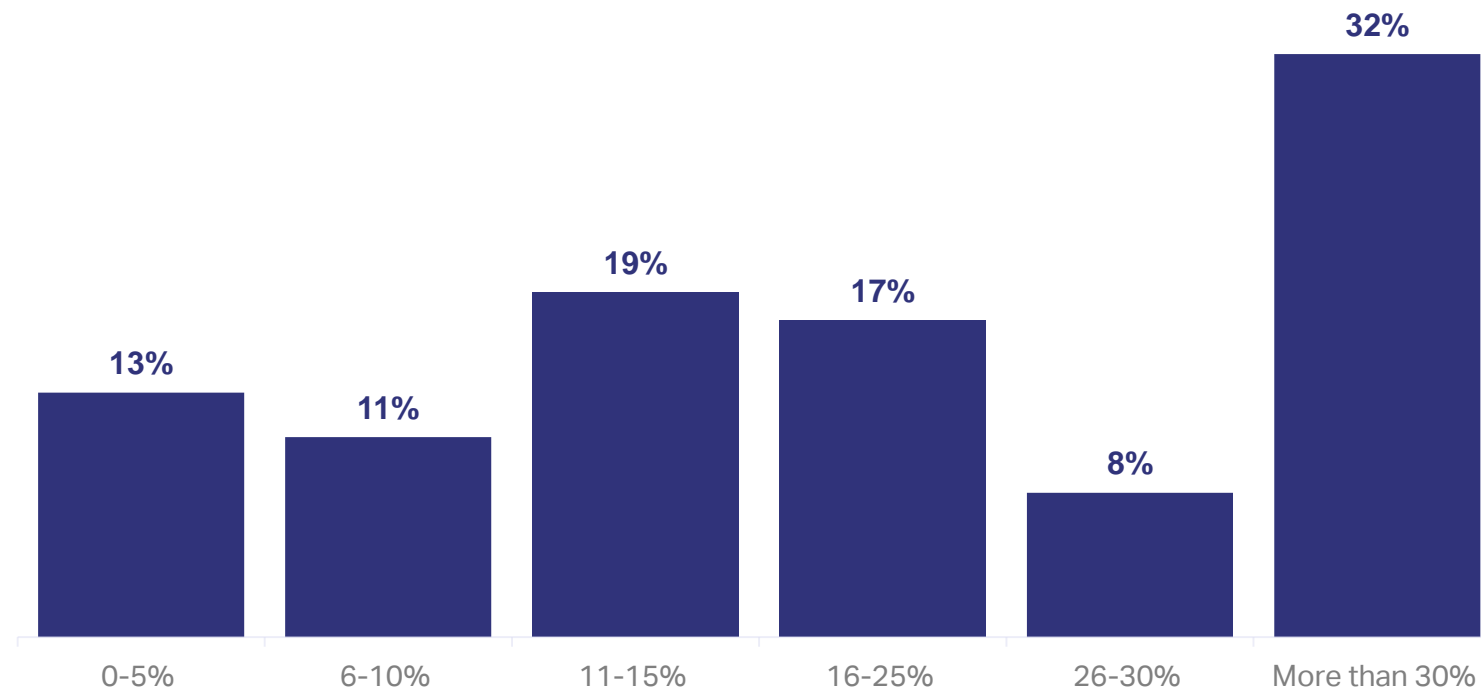
- ☑ Transferring strategies between countries in both Africa and the Middle East is seen as difficult for more than half of respondents in both regions. As diverse regions with large differences in culture and wealth, localisation of strategies, in addition to translation, is particularly important.
- ☑ In Europe, more than half see transferring strategies as easier, with a full 12% stating the process as 'very easy'.

## All respondents

Q: In your experience, how easy is it to transfer mobile strategies between countries within your region? n=249



# Mobile budget allocation is above 30% for almost a third



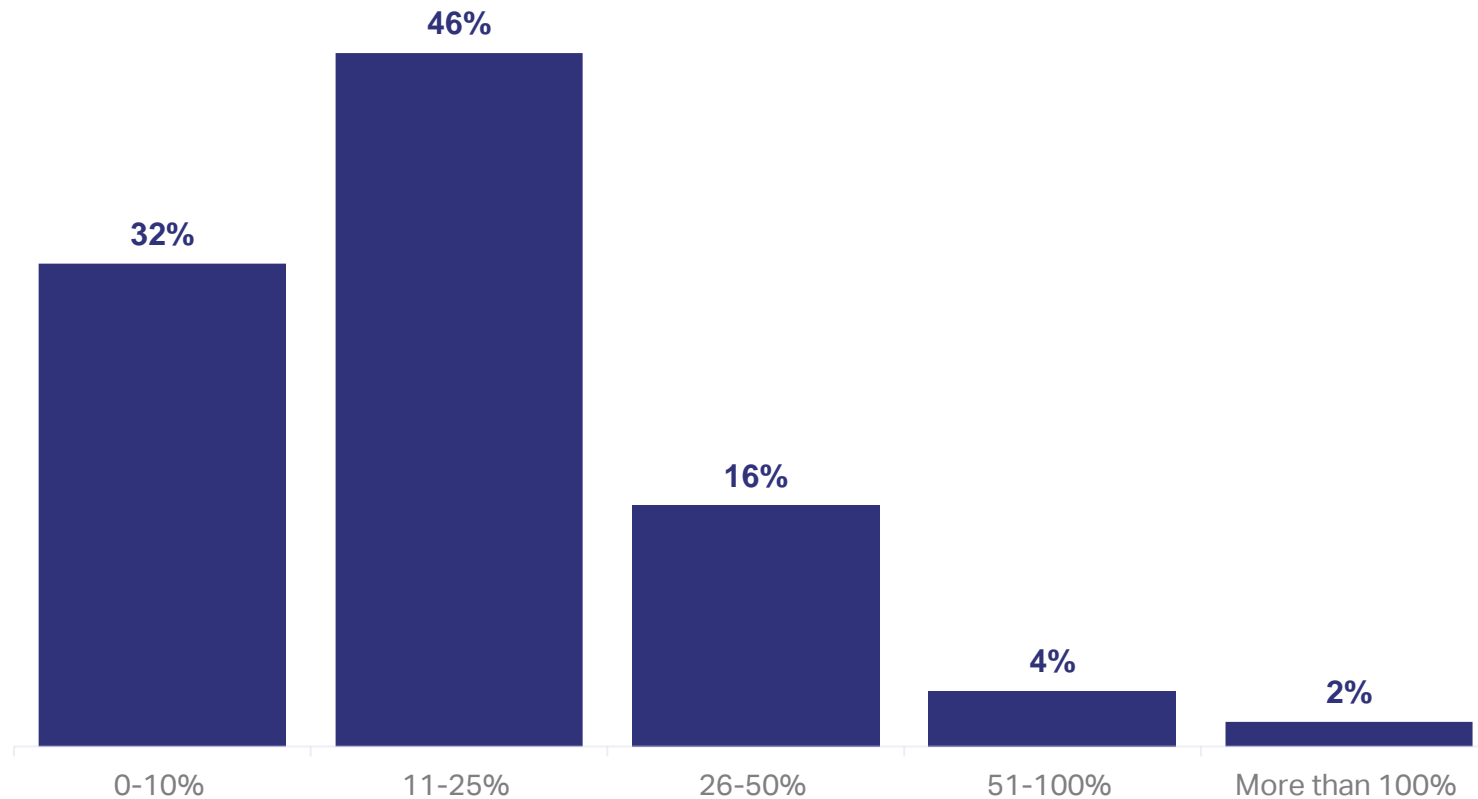
## All respondents

Q: What percentage of your, or your clients' typical, marketing and advertising budgets are being allocated to mobile marketing and advertising? 2019 n=330

### Commentary

- Just under a third of respondents allocate more than 30% of their budget to mobile. This means that 40% of respondent companies allocate more than 25% compared to 29% of respondents in 2018.
- In a separate question, respondents were asked how they expected their budgets to change over the next year. 75% expected their mobile budget to increase, and none thought it would decline.

## The majority expect an increase of less than 25%



### All respondents

Q: By how much do you expect your/your clients' mobile marketing and advertising budgets to grow over the next twelve months? 2019 n=242

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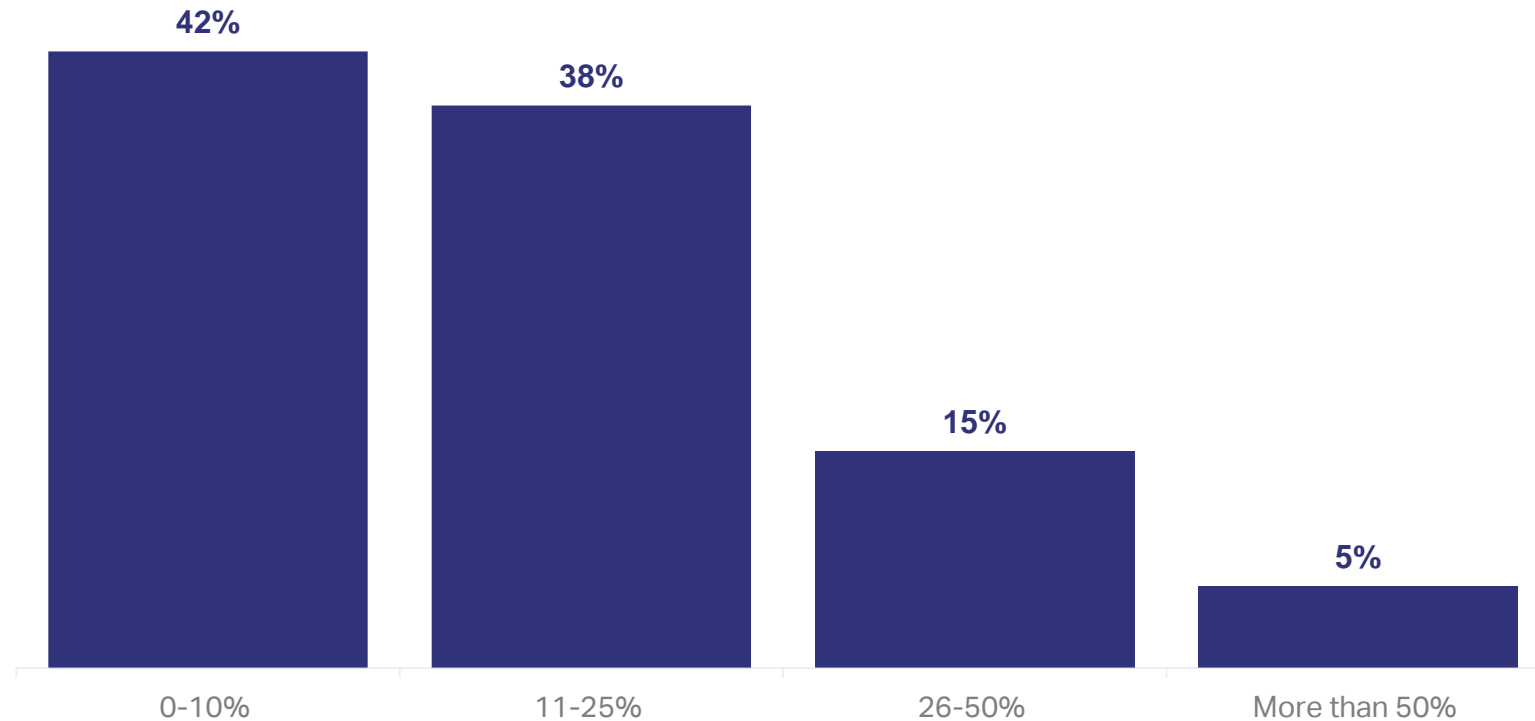
#### Commentary

- Of those expecting their mobile budgets to increase over the next year, 78% of respondents expected this increase to be by up to a quarter, with 2% of respondents predicting a budget increase of more than 100%.

# Martech is having an impact on budget allocation

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## All respondents

Q: How much of your budget for 2019 will be invested in marketing technology such as marketing automation systems, data management technologies, or attribution technologies? 2019 n=273

### Commentary

- ✔ 80% of respondents said they would allocate up to a quarter of their budget on marketing technology reflecting research that suggests [martech budgets are expected to increase over the next year.](#)

## Chapter 3

# Mobile tactics and technologies



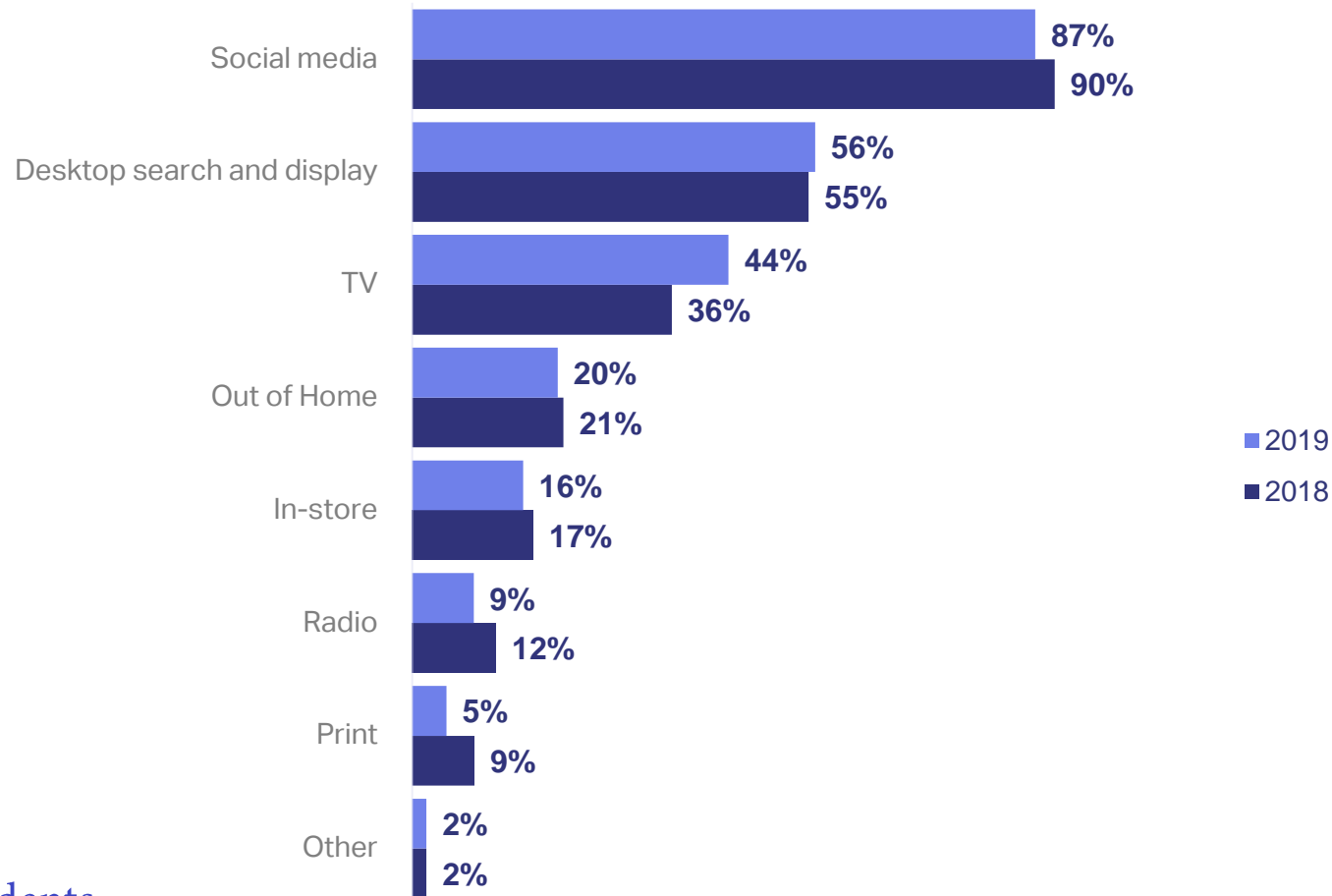
## Key Insights

- ✓ Social media remains the most frequently used media channel with mobile; Facebook is the most used platform but Instagram is one to watch
- ✓ Over half of EMEA marketers will use mobile web display this year, and 46% will use branded content in the next five years
- ✓ Mobile video and social advertising are the focus of 2019
- ✓ Location data remains the most commonly used mobile technology, but AR and AI are top choices to make an impact by 2024

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

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## Commentary

- ✓ Social platforms remain widely used (87%) alongside mobile in campaigns, followed by desktop search and display being used by 56%.
- ✓ TV has seen an increase in usage alongside mobile with 44% of respondents using it this year, compared to 36% in 2018.

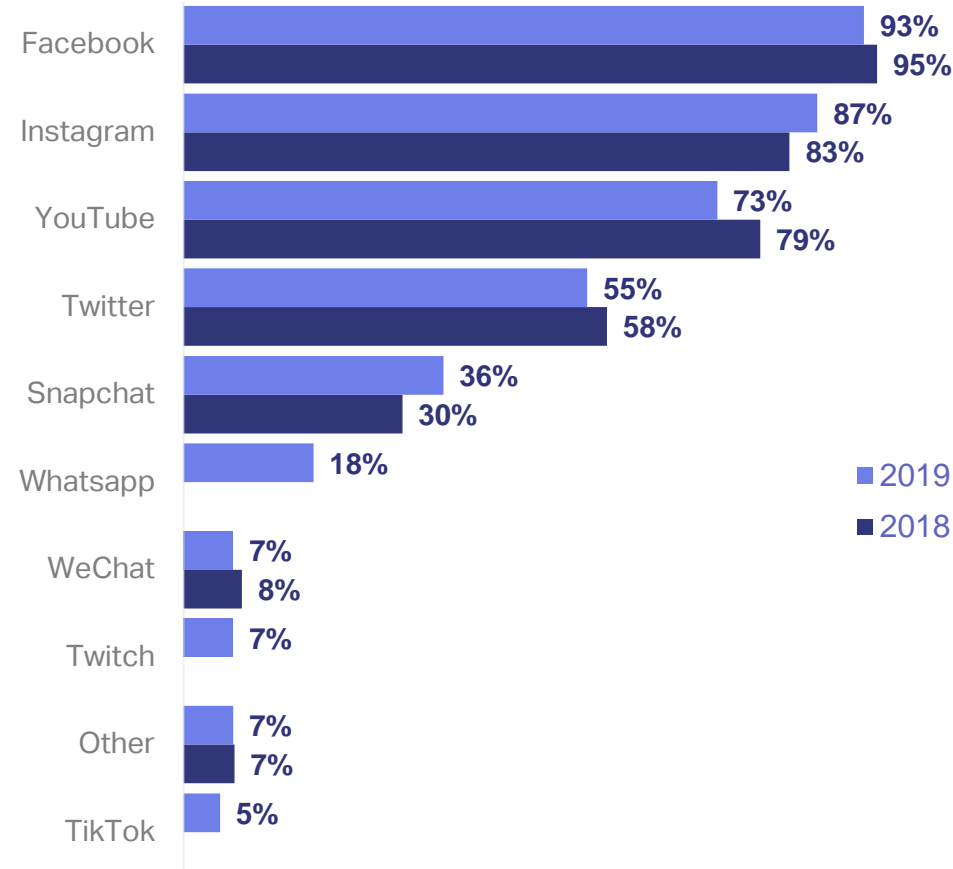
## All respondents

Q: In your experience with media plans, which media channels are used most frequently with mobile? 2018 n=405, 2019 n=290

# Facebook is the most frequently-used social media platform for mobile marketing, but Instagram is one to watch

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## Commentary

- ✓ Facebook remains the most used social media platform at 93%, however this is a slight decrease from 95% last year.
- ✓ Instagram, also owned by Facebook, has increased in usage by 4 percentage points at 87%, compared to 83% in 2018. This is a gradual trend that extends back to 2016 where 70% of respondents used the social media platform. This shows that its [evolution](#), which recently included [Instagram Shopping](#), allowing marketers to directly monetize their presence on the platform.

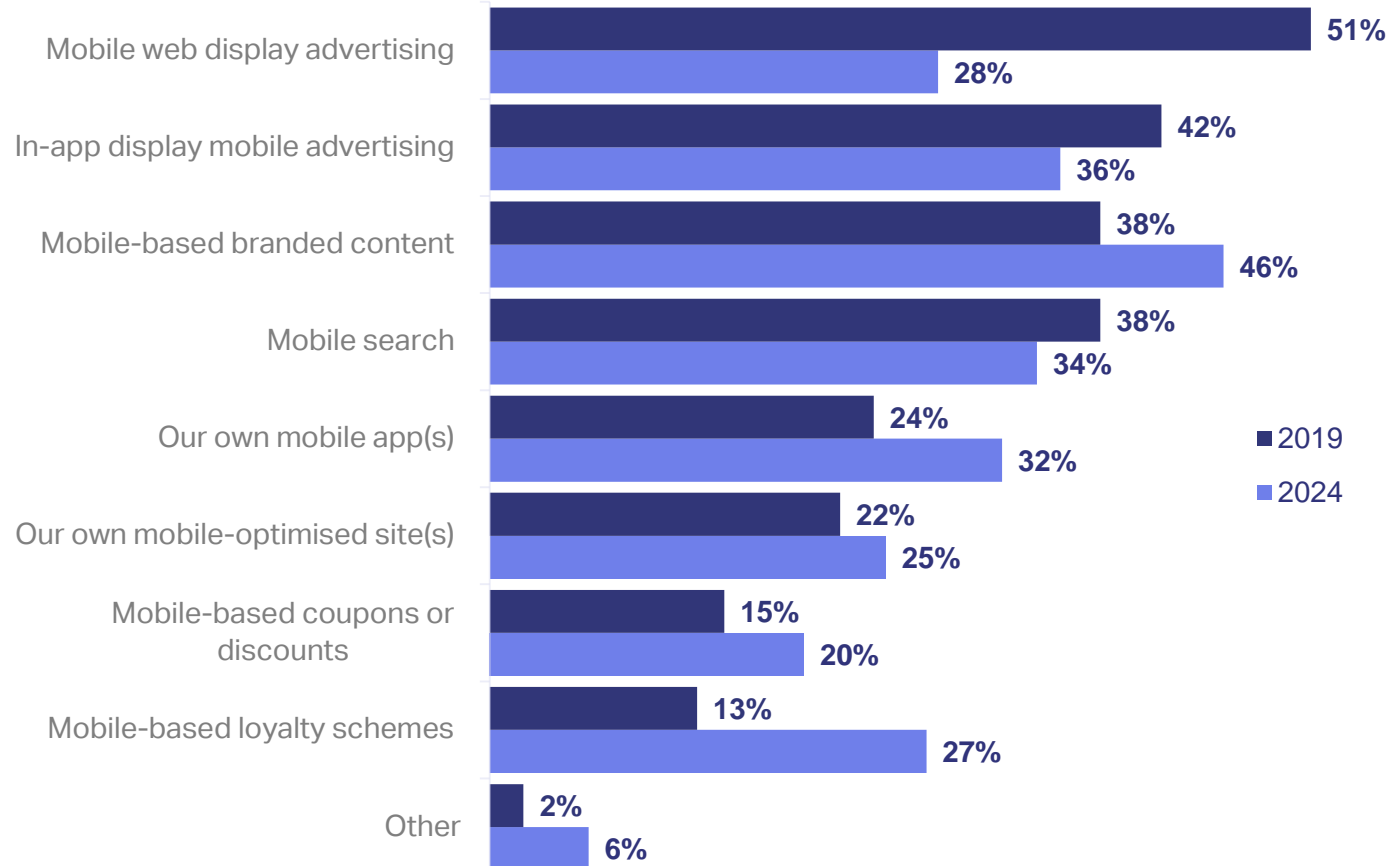
## All respondents

Q: Which social media platforms have you used for mobile marketing? n=219

# Mobile web display is a key focus, but branded content has most potential

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## Commentary

- ✓ Over the next year, 51% of marketers are focusing on mobile web display advertising, a 7 percentage point increase from 2018, and in-app display mobile advertising (42%), with less prioritising mobile coupons (15%) and loyalty schemes (13%).
- ✓ Branded content remains the focus in five years time at 46%. After content, in-app display mobile advertising (36%) and mobile search (34%) are seen as the next priorities.
- ✓ Respondents predict the biggest swing in usage over the next five years to be in mobile-based loyalty schemes. 13% of respondents will focus on loyalty schemes this year, but in five years time more than double (27%) expect to be using them.

## All respondents

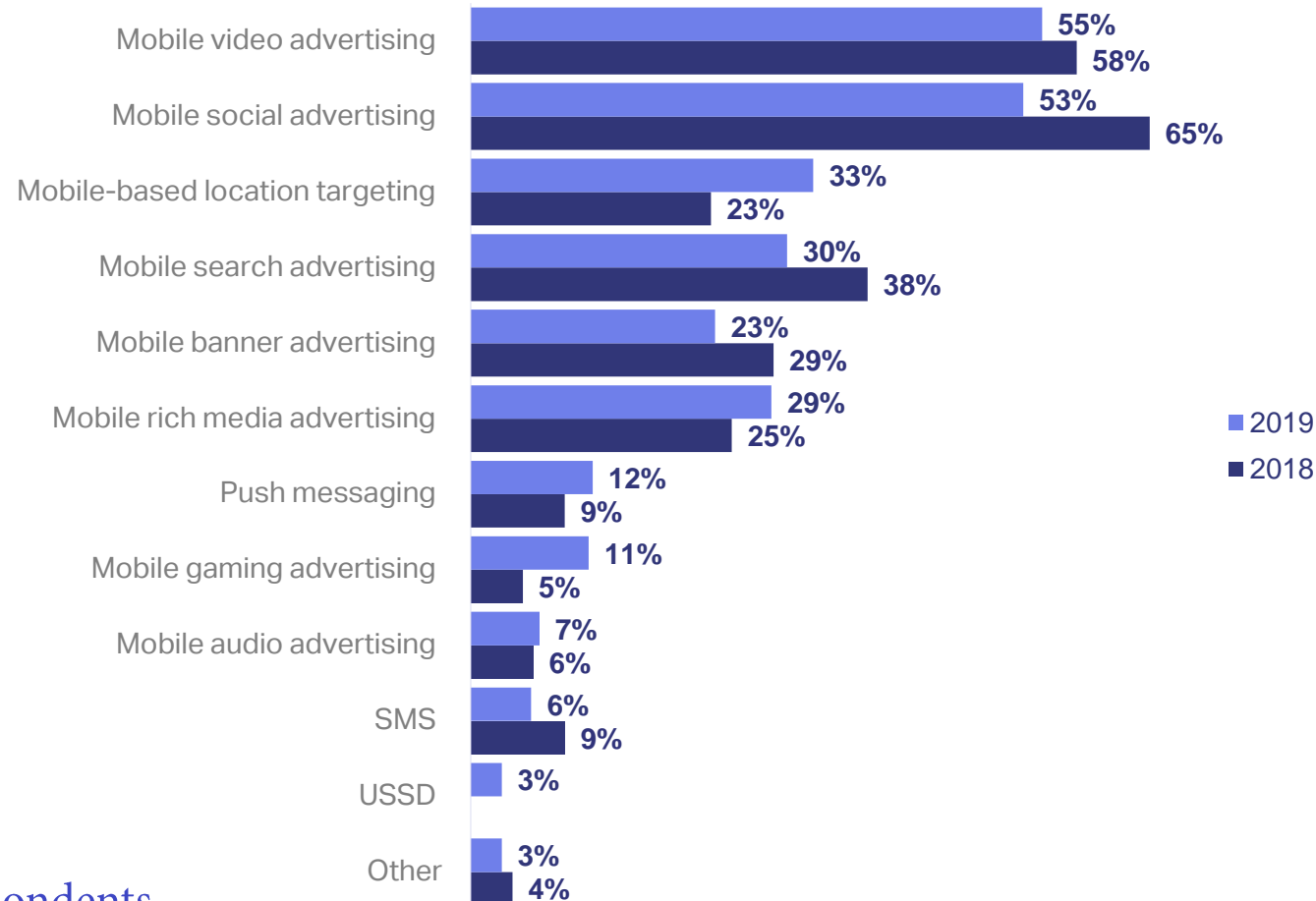
Q: Which types of mobile marketing and advertising are you/your clients focusing most on in your marketing activities in 2019 and in five years time? n=280



# Focus on mobile video and social advertising for 2019

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## All respondents

Q: Specifically for mobile advertising, which of the following are you/your clients planning to focus on in 2019? 2018 n=239, 2019 n=274

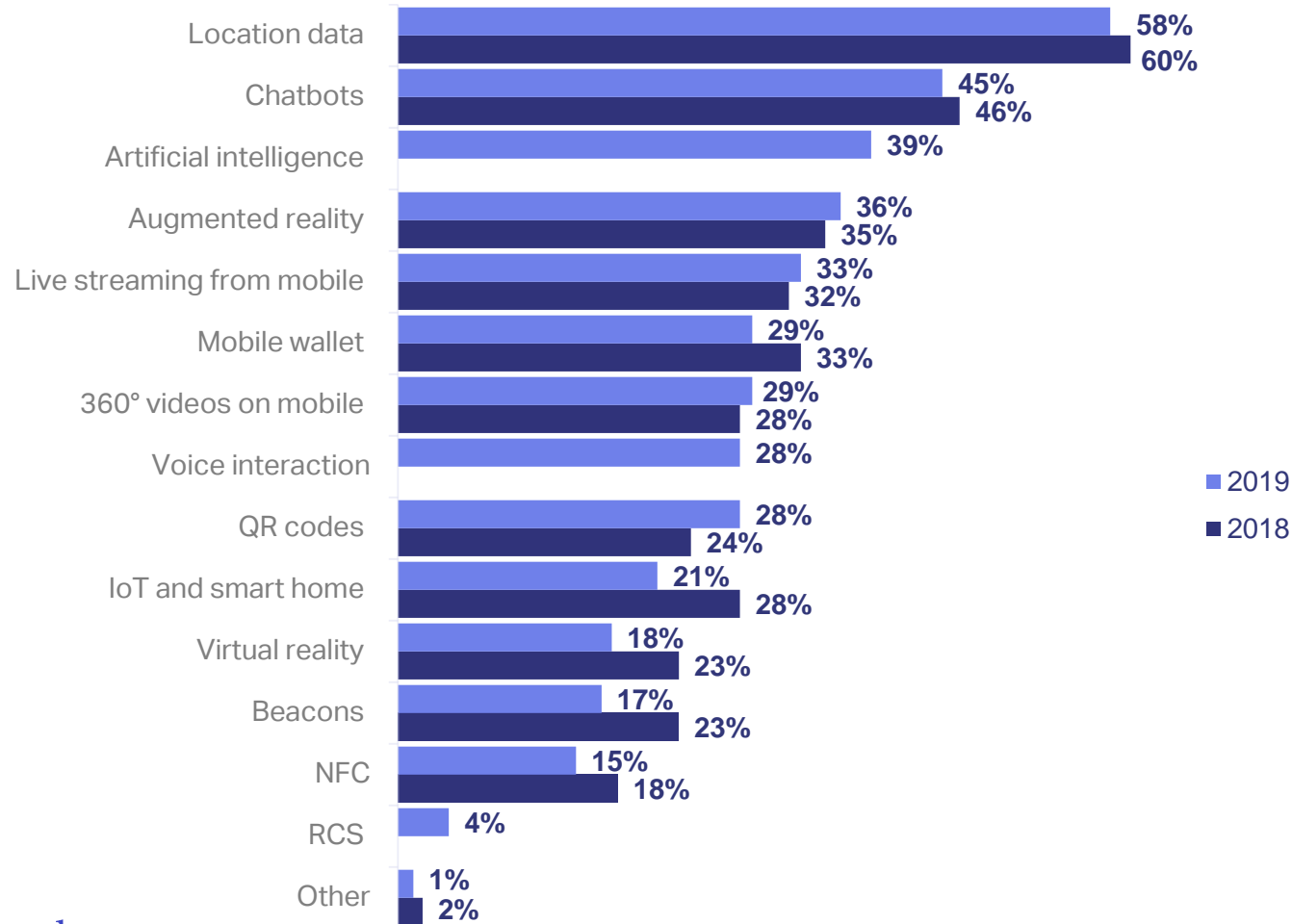
## Commentary

- ✓ In EMEA, mobile video advertising is a focus for 55% of respondents, followed by 53% using mobile social advertising. Mobile social advertising saw a drop in the proportion of respondents focusing on it of 12 percentage points this year, though it remains the second most used mobile advertising types.
- ✓ USSD was added as an option for this years' survey.

# Location data remains the most utilised mobile technology

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## Commentary

- ✓ This year, 58% of marketers will use location data followed by chatbots at 45%. Although artificial intelligence was added this year, it is already significant to 39% of marketers who plan to use it as part of their mobile marketing strategy.
- ✓ RCS and voice interaction were also added as options for this years' survey.

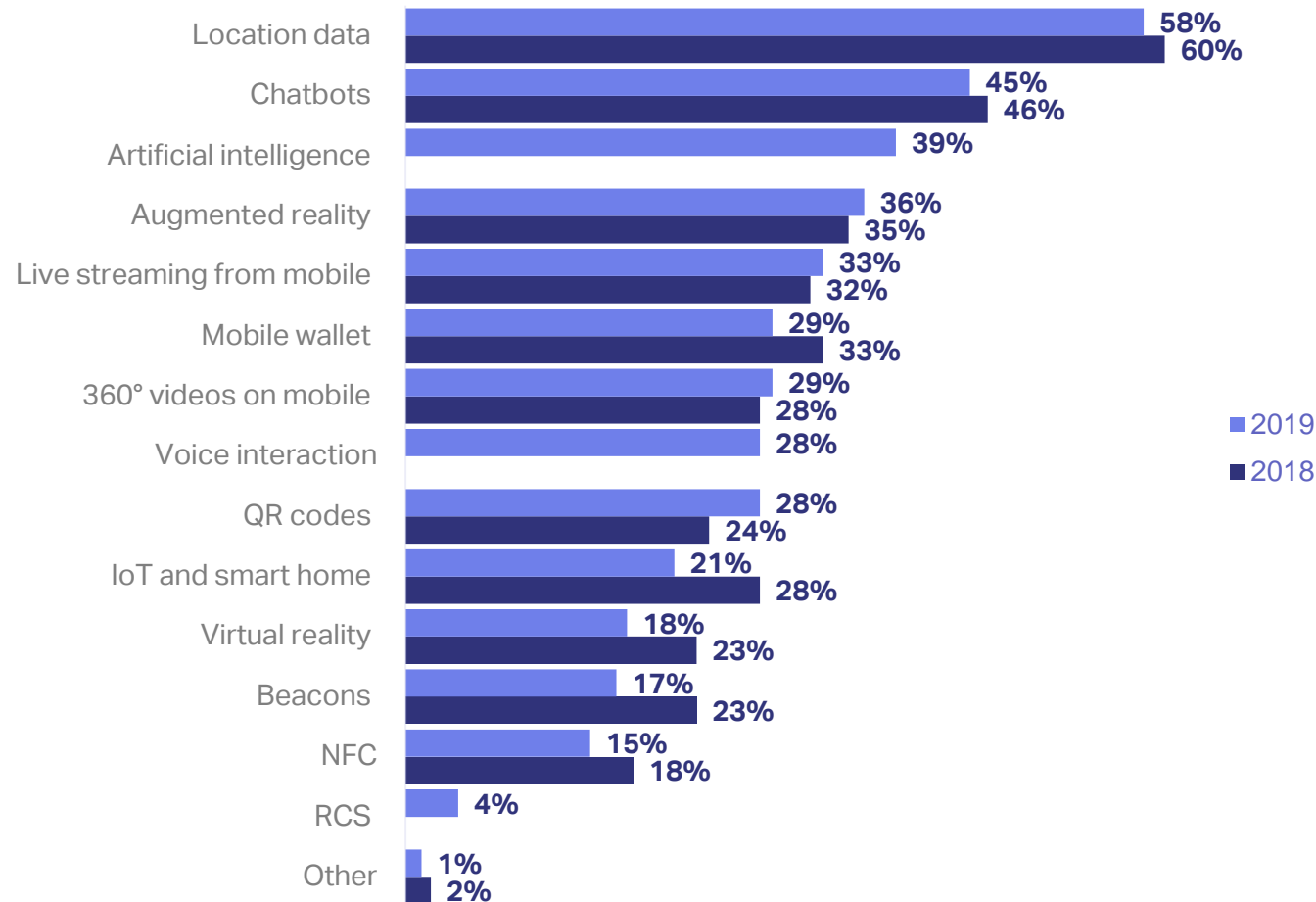
## All respondents

Q: Are you/your clients planning to use any of the following and their associated mobile technologies in 2019? 2018 n=344, 2019 n=240

# Augmented reality and location data will drive mobile growth by 2024

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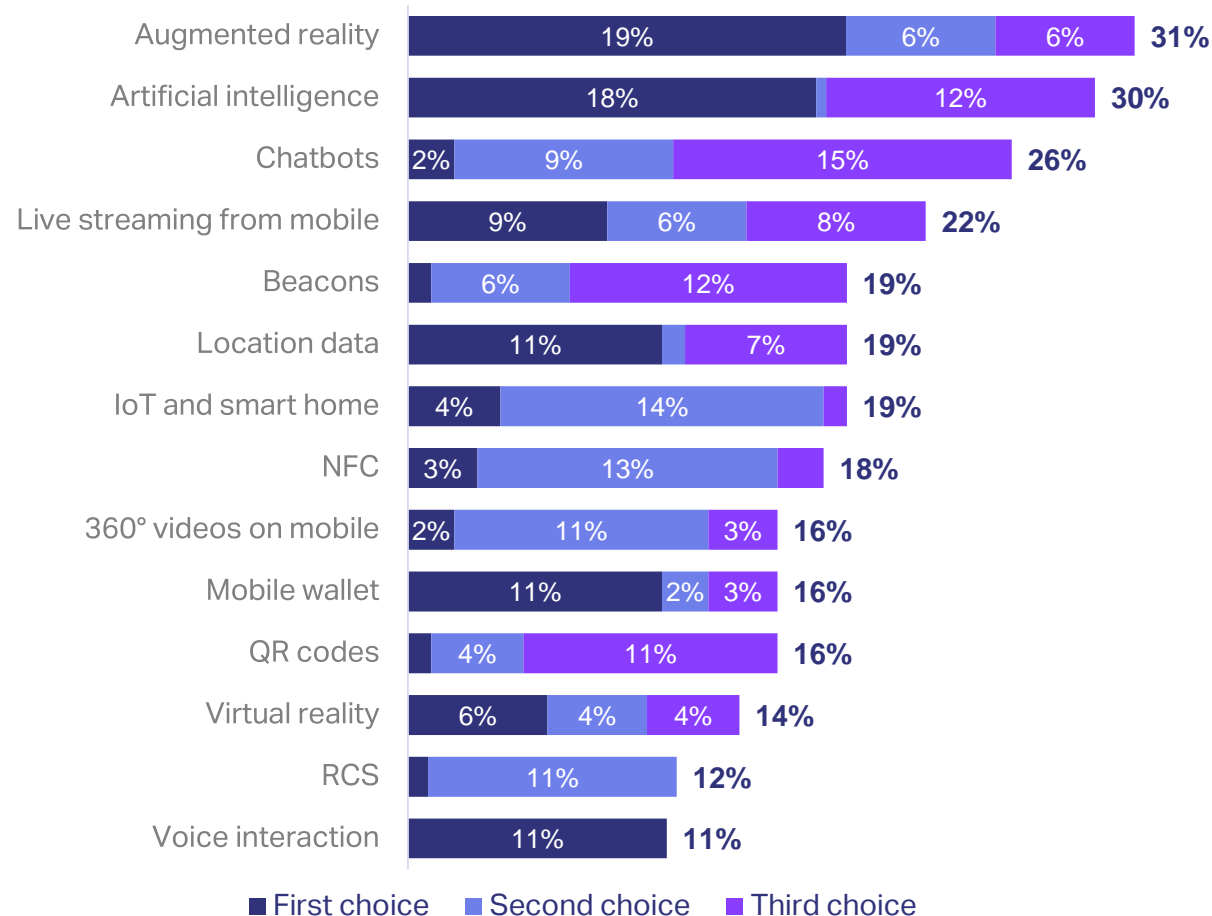
## Commentary

- ✓ Location data continues to be the most utilised technology by mobile marketers, with 58% of respondents using or planning to use the data this year.
- ✓ Artificial intelligence and voice interaction were added to the survey as options this year. More than a third expect to use AI this year, and 28% expect to use voice technologies.

## All respondents

Q: Are you/your clients planning to use any of the following and their associated mobile technologies in 2019? n=240

# AR and AI top technology choices in future mobile marketing



## Commentary

- ✓ Respondents were subsequently asked to rank the three technologies they thought would be most significant in five years' time. Augmented reality (31%) and artificial intelligence (30%) are the most anticipated technologies, selected as first choice by 19% and 18% of respondents respectively.
- ✓ Location data, mobile wallet and voice interaction are the next joint top choices for marketers by 2024 with 11% of marketers choosing each of them first, however chatbots is the overall next choice for 26% of respondents.

## All respondents

Q: Which of these technologies do you expect to be most significant in five years' time? n=232

# Chapter 4

## Barriers and challenges



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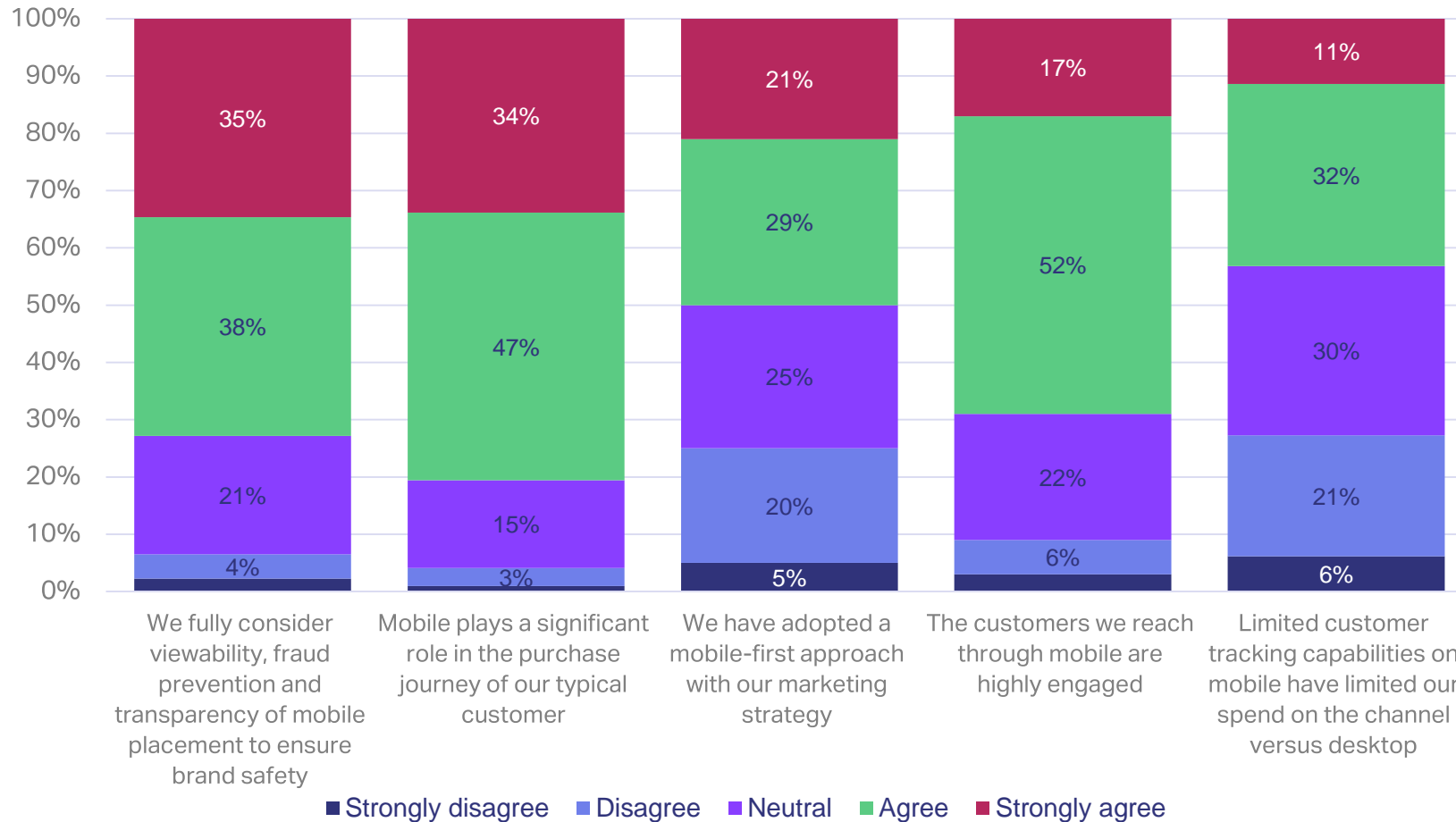
## Key Insights

- ✓ Over 70% of marketers fully consider viewability, fraud and transparency of mobile placement to ensure brand safety
- ✓ Internal challenges and metrics have become problems for the growth of mobile marketing
- ✓ Engagement metrics like sharing and video completion rates remain the most used measurement for mobile marketing effectiveness

# Marketers confident about viewability, fraud and transparency

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## Commentary

- 81% of marketers agree that mobile plays a significant role in the purchase journey of their typical customer and 73% fully consider viewability, fraud prevention and transparency of mobile placement to ensure brand safety.
- On the other end of the scale, 27% of marketers disagreed that limited customer tracking capabilities on mobile had limited their spend on the channel and 25% of marketers have not adopted a mobile-first approach with their marketing strategy.

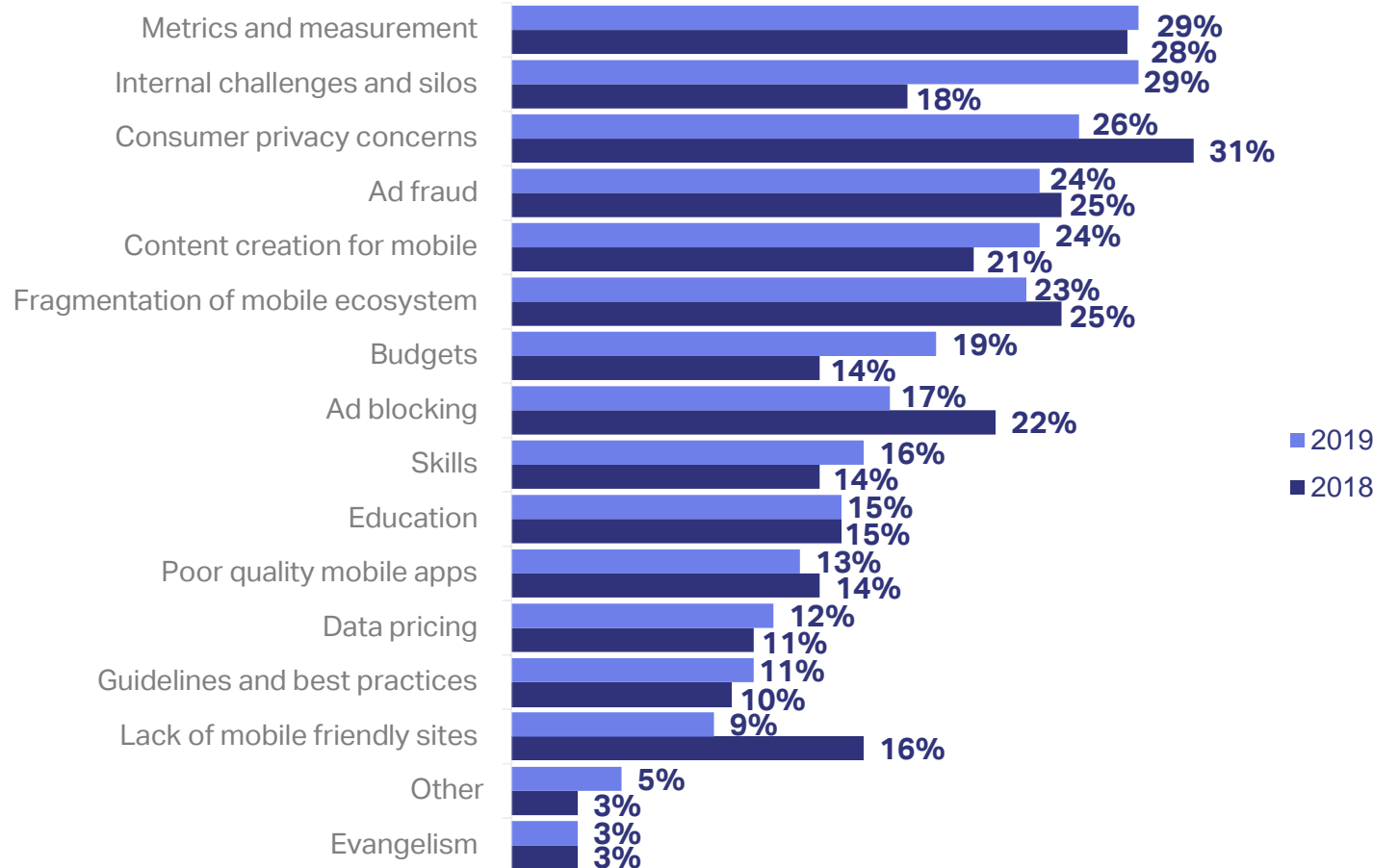
## All respondents

Q: To what extent do you agree or disagree with the following statements about mobile? 2018 n=321

# Internal challenges have increased in significance this year

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## Commentary

- ✓ The biggest barriers to the growth of mobile in EMEA are metrics and measurements (29%) and internal challenges and silos (29%). The latter has risen as a concern for marketers with an increase of 11 percentage points compared to last year.
- ✓ Last year's barrier for marketers, consumer privacy concerns, follows at 26% with a slight decrease from 31% in 2018.

## All respondents

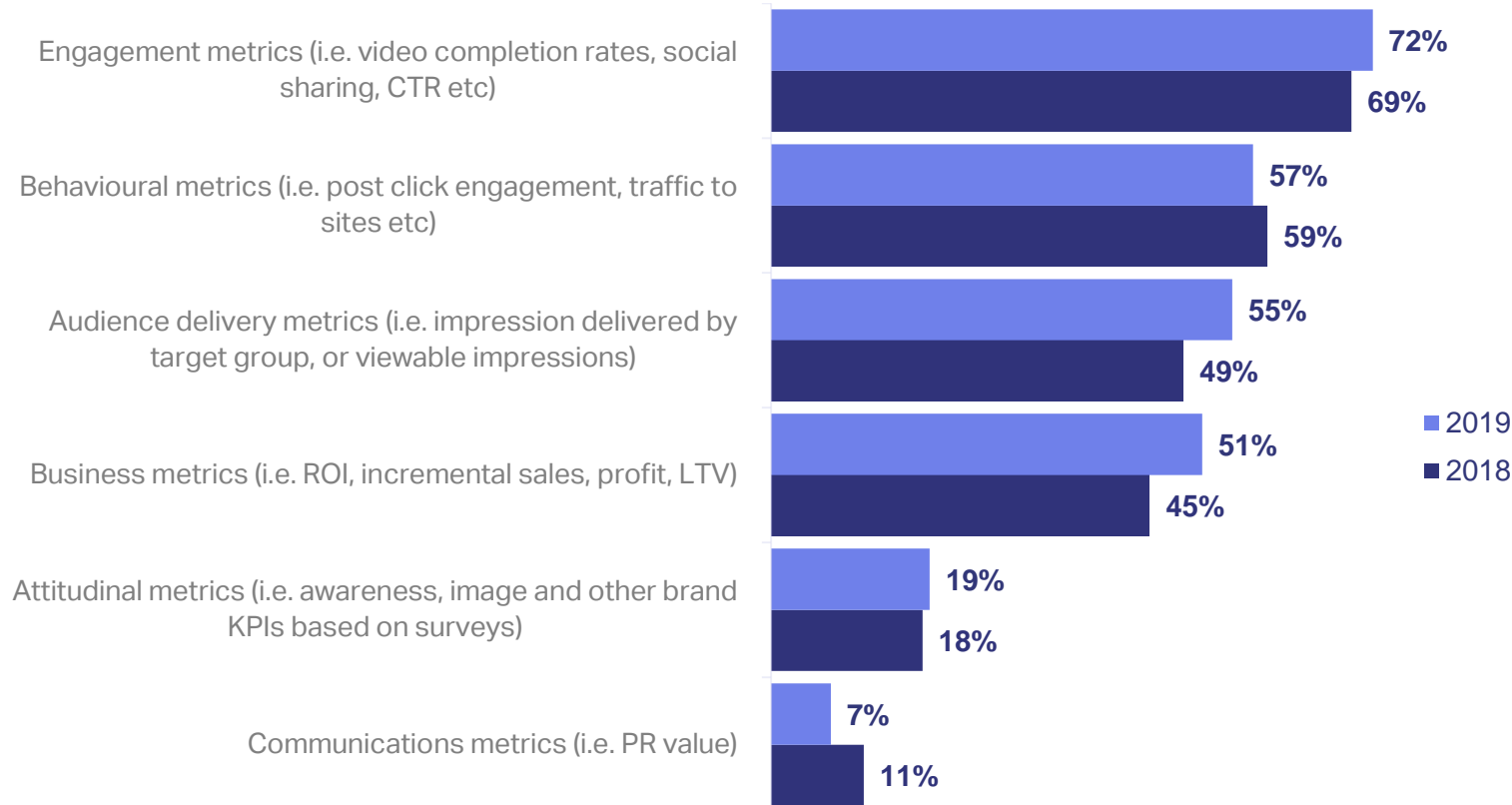
Q: In your opinion, what are the biggest barriers to the growth of mobile marketing and advertising in your region? 2018 n=461, 2019 n=337



# Mobile marketing effectiveness is measured through engagement

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## Commentary

- ✓ 72% of marketers use engagement metrics to measure mobile marketing effectiveness, with 57% using behavioural metrics, albeit a slight decrease from 2018.
- ✓ There has been a 6 percentage point increase in marketers using both audience delivery metrics (55%) and business metrics (51%) to measure mobile marketing effectiveness.

## All respondents

Q: Which of the metrics below do you or your clients most use to measure mobile marketing effectiveness? 2018 n=396, 2019 n=281

# Chapter 5

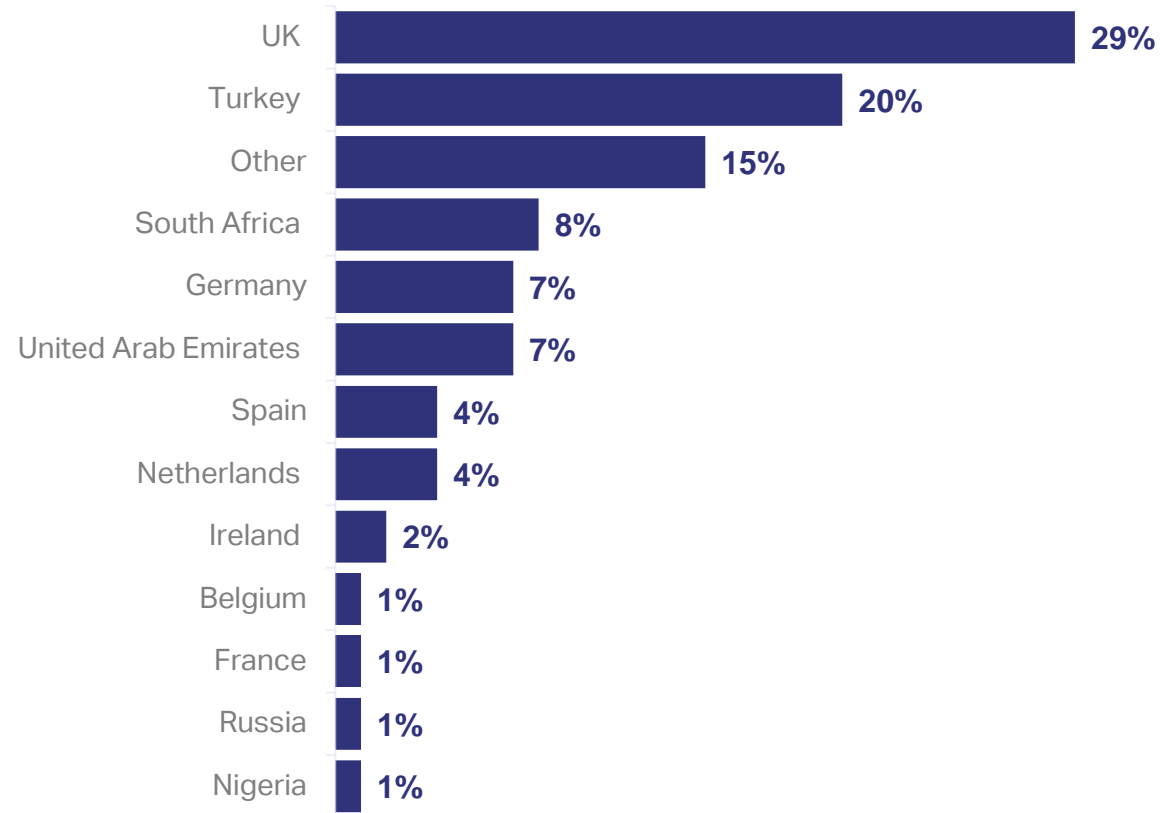
## Demographics



## 426 marketing professionals from 43 markets across EMEA

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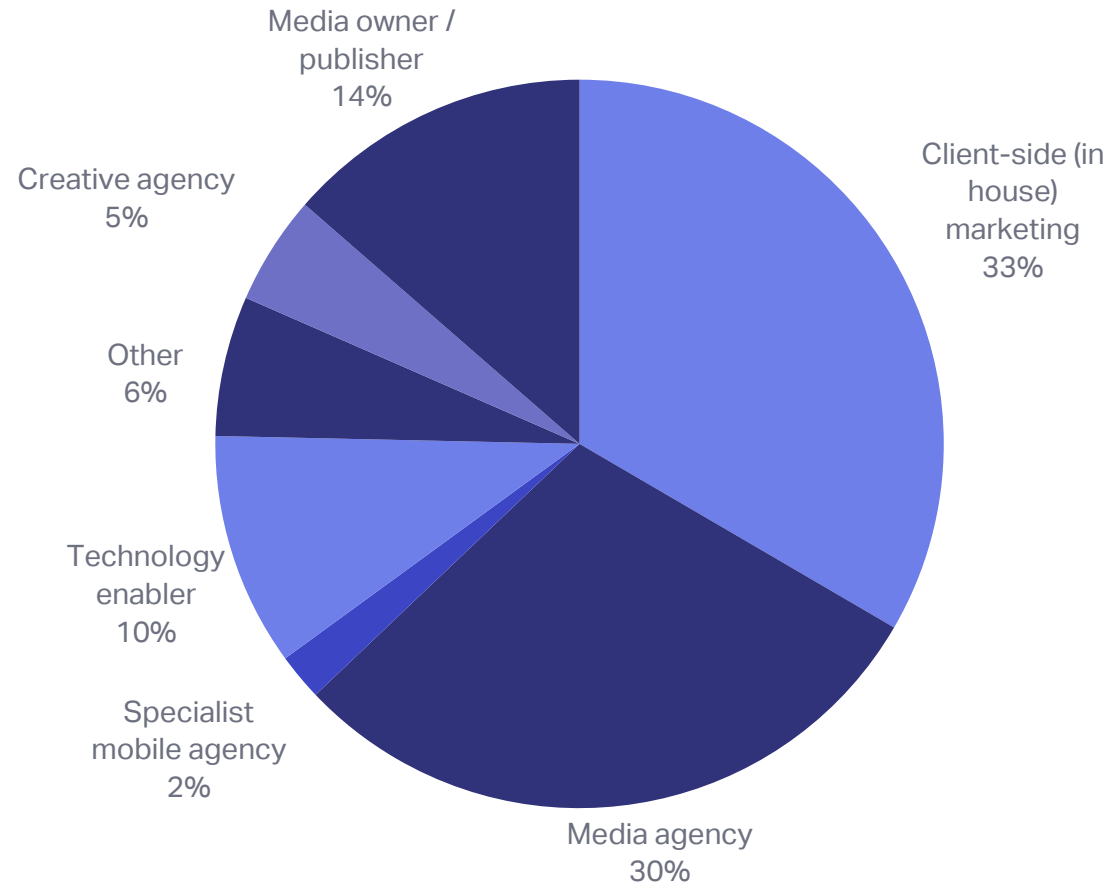
### Commentary

- ✓ Respondents were based in countries across EMEA, with almost 30% of people based in the UK.

### All respondents

Q: In which country are you based? n=426

## Respondent company types



### All respondents

Q: What type of company do you work for? n=426

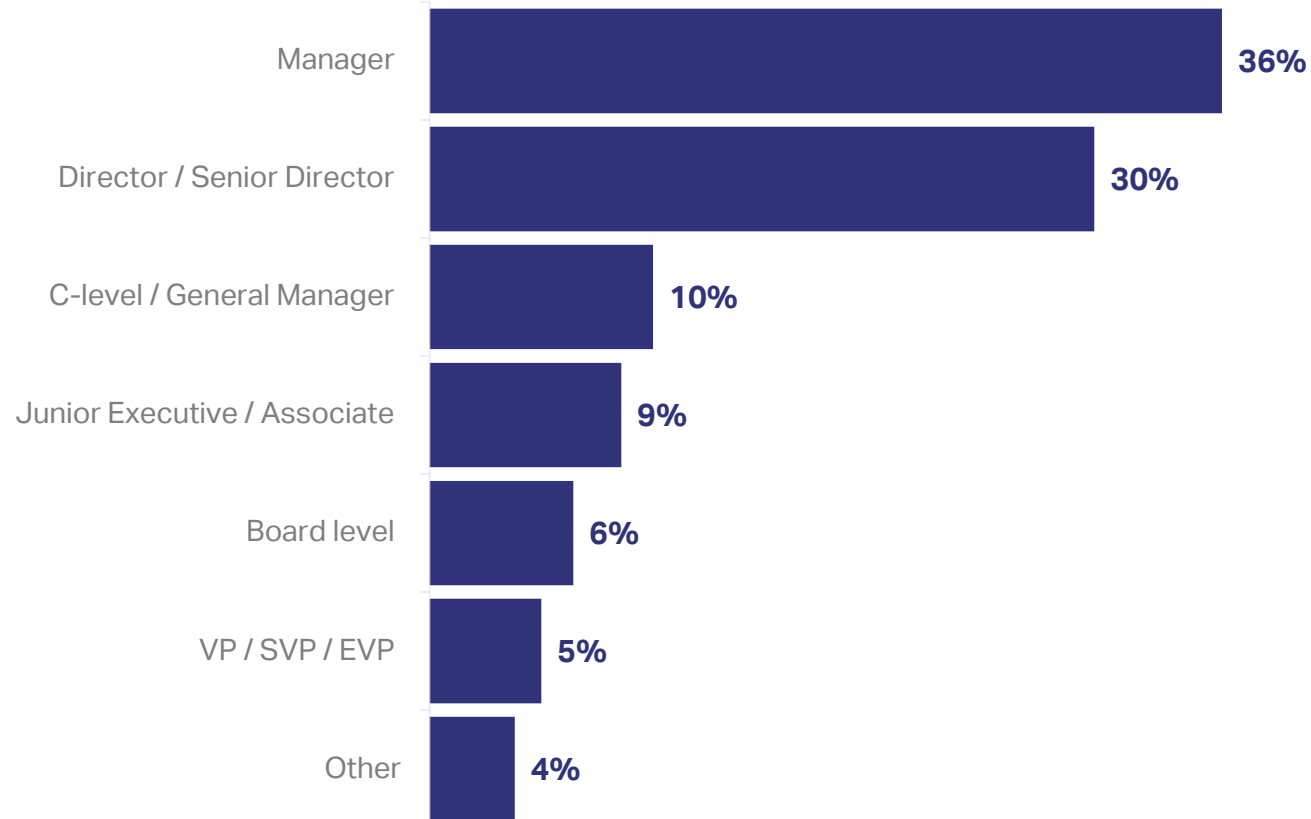
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#### Commentary

- ✓ A third of respondents are brand-side marketers, working in-house (33%).
- ✓ 37% came from agencies, and the remainder from technology vendors, consultants and media owners.

## Respondent job roles



### All respondents

Q: Which best describes your job role? n=416

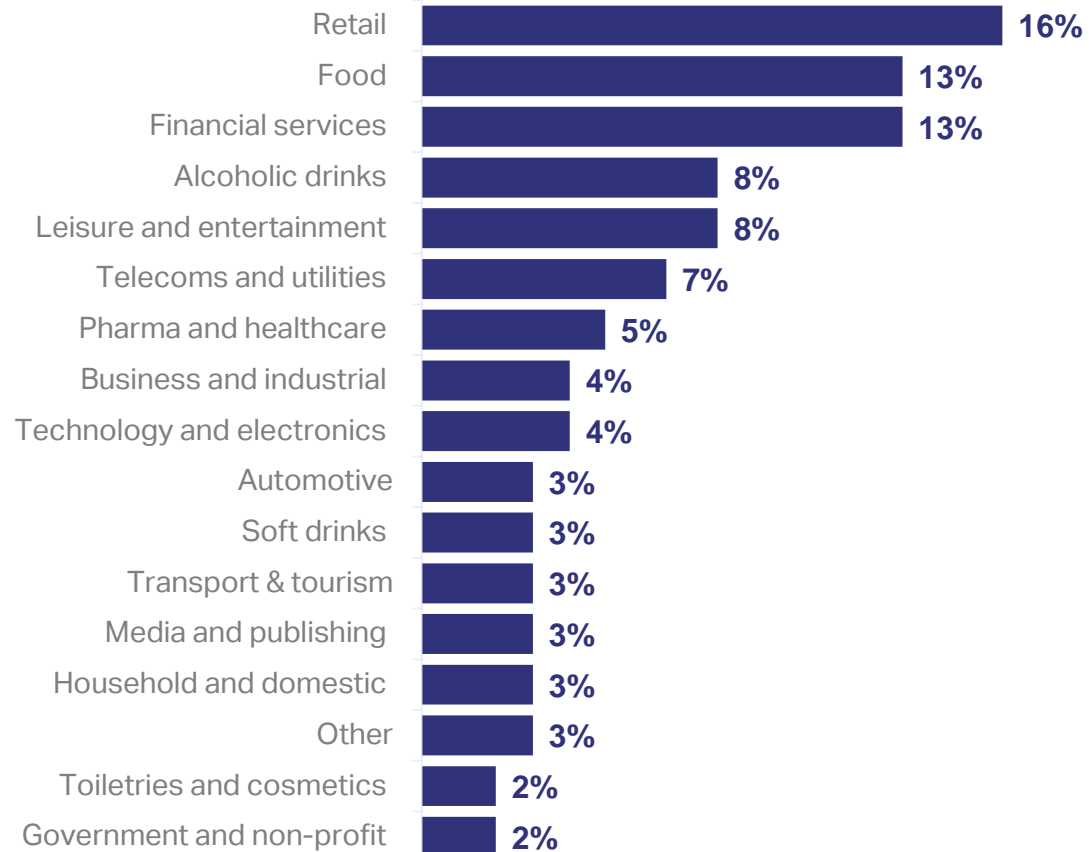
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#### Commentary

- ✔ More than a third (36%) of respondents work as managers.
- ✔ 30% of respondents are directors and the rest comprise of general managers, executives, VPs and board level roles.

## Respondent sectors



## Client-side respondents

Q: In which sector or industry do you work? n=121

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### Commentary

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

# More from WARC

The WARC logo is displayed in a large, bold, white sans-serif font. A small, white, upward-pointing triangle is positioned above the letter 'C'. The logo is set against a dark blue background that features abstract, lighter blue curved shapes on the left and bottom edges.

## About the study

This report is based on an online survey of 426 marketing professionals, carried out in March and April 2019.

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.

## Contact the MMA

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