Mobile is THE STRATEGY.
An Adobe research report on how to succeed with mobile today.

September 2015
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Five years ago, who would have thought we’d track our health with a watch, or that our phones could manage our home security? Who would have guessed that mobile devices could give us shopping advice or open the door for a whole new wave of media consumption? And who could have predicted that mobile devices could give us shopping advice or open the door for a whole new wave of media consumption? And who could have predicted that an entire generation will never own a docked computer or subscribe to a cable company? Five years go the mobile revolution was in its adolescence. Today, it’s in the midst of a serious growth spurt, and there’s no telling when it will stop.

That growth has some serious implications for you and your business. Five years ago you could say, “we need a mobile strategy.” Today, mobile is the strategy.

Take a look at Uber. Even though the kind of service they offer—getting people from one place to another—is probably one of the oldest in the world, they’ve completely turned it on it’s head by beginning and ending the whole process—and filling in generous parts of the middle—on mobile. Or Panera Bread. When they decided to offer mobile ordering, they restructured their entire process—including how they run their kitchens—in order to keep their hungry customers happy.

These kinds of stories are becoming more and more common. If you’re not seeing mobile as your strategy, maybe it’s time to start. The bar is higher than ever, and it’s time to step up your mobile game.

To help you get there, we conducted a survey to discover how business are using mobile today. In June, we reached out to 239 marketing decision makers and asked them to describe where they are with mobile and how they got there. We then compared these results to last year’s to see where things have changed.

The results show that in some areas, the shift toward mobile is stable. For example, even though we surveyed more than twice the number of marketers as last year, some key numbers stayed more or less the same:

- Nearly half of marketing decisions makers still believe that marketing “owns” the mobile strategy.
- Nearly half are using GPS location data to improve their personalization efforts.
- Nearly half are using push notifications.

This year, however, we decided to mix things up a bit. Mobile has never been solely the arena of the marketer, so this year, we sent the survey to 55 IT decision makers in order to get their perspective. True mobile strategies rely on both IT and marketing teams, so we wanted to see how well IT aligned with their marketing counterparts. In many ways they did. In other challenging ways, they didn’t.

For example, what does IT have to say about who owns mobile? How do IT decision makers view the creation and management of apps? These questions are answered in the research.

In addition, we asked respondents to call out which industries they’re in, which brought additional insight. Clearly not all organizations are doing mobile the same way. The goal of this report is to give you an opportunity to compare your own efforts against these benchmarks and best practices—and in doing so, build the type of mobile maturity you need to not just deliver mobile experiences, but to deliverer great mobile experiences that drive your brand into the future.
Of course, you have to do mobile in a way that makes sense for your business. What works for Uber or Panera Bread may not specifically work for you. Your challenge is to see your business through that mobile lens, and then make decisions accordingly. But let’s face it. It’s not easy.

Some of our customers are just dabbling or have tried to create a strategy for mobile like it’s just another channel. Or they try to cram a desktop experience into a tiny screen. These businesses struggle to really make it work. They don’t have a mobile strategy that provides the kinds of personalized experiences that today’s audience demands.

On the other hand, some of our customers understand. It’s time to go all in. Businesses like the NFL, Starwood Hotels, and Coca-Cola are driving deep changes to their business models in order to keep up with hyper innovation in the market and the quickly evolving nature of customer behavior. Does that mean they get everything right? Probably not, but that’s part of the point. They have established a mobile infrastructure that allows them to try new things, to adapt and to stay on the cutting edge.

If at this point, you’re asking yourself, “but how exactly do I do all that?” consider this. In our experience, the businesses that are seeing real success have one thing in common: they have maturity in their mobile processes.

This mobile jungle is too big for anyone to tame completely, but as we’ve talked to our customers, we’ve noticed some common behaviors and philosophies that the leaders use to create, manage, and deliver these digital experiences.

Specifically, the businesses that are getting it right are investing in mobile-specific teams, technologies, and processes that allow them to do the following:

**Manage:** Manage, update, and publish a mobile app or mobile website across smartphone and tablet platforms.

**Acquire:** Use paid, owned, and earned media to drive user acquisition for app downloads and mobile web visitors.

**Analyze:** Understand how consumers are using the experience and what makes them convert or come back.

**Engage:** Drive engagement and re-engagement to optimize conversions (subscriptions, commerce, ad revenue, etc.) and improve customer loyalty.

We refer to this as the mobile maturity lifecycle, a continuous workflow of behaviors and investments. These can be huge investments and new behaviors, so it’s important that you make them in ways that support your needs. But where and how do you make those investments?

To help answer these questions, we can look in detail at what others are doing. Let’s get started.
While the mobile marketing lifecycle is crucial to mobile maturity, it simply cannot thrive in a business that isn't ready for it. Simply put, companies that are successful with mobile are the companies that invest in mobile. They are the ones that spend time thinking about it and the ones that understand how important it is to the overall business.

You can think of these things as the fuel that drives the mobile lifecycle. In order to be effective, that lifecycle needs to keep churning. You need to keep making updates and managing existing mobile experiences and you need to keep acquiring new customers. You need to keep getting new information on how your customers are using your app or mobile website, and then use that information to improve the experience and to personalize your offering. It’s an engine that, if taken care of properly, cycles over and over again—driving you on to success.

But you need that fuel. You need the money and the infrastructure. Our research shows how businesses are approaching these topics.

Mobile ownership.

In this year’s report, our perspective was enhanced by the responses of IT managers. Even though relatively few of the respondents (55) fell into this category, they cast an interesting light on the subject of mobile maturity.

You’ll see this throughout the report, but perhaps the most telling difference in perspective comes from the question of who owns mobile.

From last year’s study, things haven’t changed much in terms of how marketers view mobile ownership. Forty-seven percent claim that marketing owns the mobile app strategy (it was 50 percent in 2014). However, there has been a noticeable change in how other functions are viewed in terms of mobile ownership.

Advertising, for example, was claimed by 25 percent of respondents to own the mobile strategy in 2014, but only 17 percent did so in 2015. On the other hand, e-commerce jumped from 10 to 19 percent.

But these relatively predictable results pale somewhat when we introduce the IT crowd. According to our survey, fully 89 percent of IT respondents claim that IT owns mobile.

This is a significant difference that sets the stage for many of the results we’ll see below. How can you be successful with mobile when no one knows for sure (or agrees on) who’s driving the strategy?

While much of the infrastructure is in place to deliver incredible mobile moments, some of the organizational and procedural elements may still be missing. Taking advantage of the mobile marketing lifecycle and achieving real mobile maturity can ultimately only come when everyone in the business is on the same page.

**2015 STUDY GROUP(S) THAT OWNS THE MOBILE APPS STRATEGY**

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<thead>
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<th>Group</th>
<th>Marketing</th>
<th>IT</th>
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<tr>
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The importance of mobile apps.

While marketers and IT directors differ in their opinion on who owns the mobile app strategy, they agree that apps are still crucial to their overall marketing strategy. Eighty percent of marketers indicated that mobile apps were either very or extremely important. (87 percent said the same about their mobile websites). Eighty-five percent of IT respondents said the same.

Interestingly, however, despite their agreement on the importance of mobile apps, IT decision makers are more comfortable claiming that their companies have been in the game for a while. Seventy-seven percent of IT respondents claim to have had a well-defined strategy for more than two years (20 percent said their strategy had been in place for more than 5 years). Marketers, however, were more conservative. Only 57 percent claimed to have had a strategy for more than two years.

Mobile apps seem particularly (and perhaps not surprisingly) important to the media and entertainment industry. Eighty-eight percent of marketing respondents in media and entertainment—nearly 10 percent more than the group of marketing respondents as a whole—said apps were extremely or very important to their marketing strategy. At the same time, 78 percent said their budget for apps had increased in 2015 (that’s 18 percent more than the total number of marketing respondents, see page 11). In contrast, we found that the retail industry is least likely to say apps are extremely or very important to their marketing strategy.

Certainly, these results could suggest that IT has a better grasp on the overall strategy. On the other hand, they could mean that marketers have a more holistic sense of what goes into a mobile strategy and are more reticent to claim it as “well-formed.” Whatever the case, it’s important that both IT and marketing teams come to an understanding and agreement on such issues. Having both teams on the same page will allow for a more efficient and productive strategy.
A commitment to mobile is ultimately shown by the amount of money a company invests in it. In this, marketing and IT seem to agree. Though again, the IT respondents are generally more aggressive in their estimates.

This is apparent in the response to a question about budget change. A majority of both marketing and IT decision makers said they had increased their budget for both mobile app and mobile web management, but the group of IT responders was nearly 10 percent larger.

Similarly, when asked about their annual investment in app development, 20 percent of marketers claimed their companies spent less than $500,000. With the IT decision makers, however, only 10 percent fell into this lowest spend category. This difference is reflected in the mean dollar amount of the two groups. The responses of the IT developers resulted in a mean investment in app development of $6.1 million. The mean on the marketing side came in at $4.7 million.

The travel and hospitality industry seems to be lagging behind other groups when it comes to annual investment. The mean investment from this industry was $2.3 million for apps and $2.6 for mobile web. At the same time, B2B high tech is surging ahead, reporting mean investments of $6 million and $6.6 million for apps and mobile web respectively.

Still, when asked the same question about their mobile web development, the mean dollar amount of the two groups was almost identical. And when asked what percentage of their total technology spend went to creating, measuring, and optimizing both mobile apps and mobile websites, both marketing and IT decision makers agreed that in both cases, it was around a third.

Clearly, both marketing and IT decisions makers believe investing in mobile is important, but it’s possible that the IT crowd may have a better handle on the actual costs involved, especially in the app lifecycle.
Mobile teams.

Investing in the management, measurement, and optimization of mobile experiences is important, but equally important is investing in the people who make those mobile experiences a reality. Our research suggests that companies today are investing in people, and that they’re empowering them with the tools they need to succeed.

Seventy-eight percent of marketers and 89 percent of IT decision makers said they have teams dedicated to creating and publishing mobile apps. At the same time, more than two-thirds of both groups indicated that their companies had plans to increase the number of employees on those teams.

Have team dedicated to creating and publishing mobile apps

Base: Marketing (n=239); IT (n=65)

Plans to increase full-time staff members on mobile app team

Base: Have mobile app team (Marketing, n=186; IT, n=49)

A high percentage of both groups claim to have a central leadership team dedicated to mobile (often referred to as mobile “center of excellence”). Interestingly, the IT groups once again seem more willing to suggest that their company has such a group. Only 5 percent of IT decision makers stated their company did not have a mobile center of excellence. On the other hand, twice as many marketers (10 percent) said the same thing, while 3 percent said they weren’t sure.

Organization has central mobile leadership team

Of course, having mobile teams is one thing, but having successful mobile teams is another. Establishing clear goals and metrics by which these teams are measured is critical to success, so we asked if teams were being measured by clear key performance indicators (KPIs)? Overwhelmingly, the answer is yes. But again, we see that respondents on the IT side are a little more confident. All IT decision makers who responded to our survey claimed that at least some of their mobile teams had mobile-specific KPIs. An overwhelming majority (92 percent) of marketers said the same. The rest claimed their teams were not measured by mobile KPIs or that they didn’t know.

Teams have KPIs to measure effectiveness

For IT teams, their relationship to mobile apps is fairly straightforward. So it’s not surprising they would be more comfortable claiming centralized mobile leadership and clear goals. Still, it’s encouraging to see so many marketers making the same claims.
MANAGING perfection.

From the drawing board to deployment, from update to update, the first phase of the mobile lifecycle should be holistic and thoughtful. The days of simply creating an app and releasing it into the wild are long gone, at least if you’re interested in mobile maturity.

The manage phase of the mobile marketing lifecycle is all about perfection. You create an experience that delivers consistently across all devices from the start, but then you update it constantly using information you gain later on in the cycle. These updates should happen whenever you need them, and they should be easy to execute.

Of course, apps and mobile websites have been around for a long time, but the businesses that show real mobile maturity approach the development and management of their mobile experiences differently. Our research throws more light on this idea.

Mobile apps.

Apps are obviously an important part of the mobile landscape and our research shows that the number and purpose of apps being published is diverse. Almost none of our respondents said they didn’t have any apps. When asked how many apps each company had available for download, the mean responses were 18.6 for marketers and 22.7 for IT decision makers. Overall, these apps were designed both for smartphones and tablets (though in general, more respondents—9 percent of both marketing and IT decision makers—said they didn’t have any apps designed specifically for tablets).

Overall, media and entertainment and B2B high tech respondents said their business had more apps than the average respondent, though media and entertainment survey takers were less likely to have any tablet apps. At the same time, travel and hospitality respondents had fewer apps across the board.
When it comes to how these apps are created, a majority of respondents say they still use agencies for at least some of their app development. (Around a third of all respondents say agencies build all of their apps.)

When asked, however, whether businesses are building their own native or hybrid apps, another disparity between how marketing decision makers and IT decision makers see the world crops up.

Fifty-four percent of marketers answered each question about native or hybrid apps affirmatively. IT respondents, however, told a different story. Eighty-four percent claimed their businesses were building native apps and 73 percent said they were building hybrid ones. Perhaps this is another difference in perspective, where IT has greater visibility into what’s being built. But either way, the difference introduces another opportunity for greater communication between the two groups.
In general, the IT respondents seem more likely to include a technology, perhaps again because of their more technical understanding of what’s involved. But this understanding gives them greater insight into the problems faced by companies as they develop apps. The problems of managing apps (71 percent) for multiple platforms (64 percent) and multiple devices topped the list of pain points, though 53 percent complained about updating apps as well.

Still, both generally agree on the kinds of tactics that are going into their apps, though there are some subtle differences in their responses. For marketers, the top three tactics used in the development and management of their apps are content management (58%), messaging (55%, though this is down 11% from 2014), and analytics (51%). For IT decision makers, the top answers are content management (67%) and analytics (65%). Messaging and optimization tie for third place, with 58% of IT decision makers selecting both.
Mobile updates.

Speaking of updates, for the most part, marketing and IT decision makers seem to be on the same page.

More than a third of respondents claim their businesses update their apps at least every three months, if not more. And two-thirds update at least twice a year. Whether or not this is frequent enough to meet the demands of their customers remains to be seen (in fact the numbers are slightly lower than 2014), but the time it takes to publish updates is certainly a factor.

Only 10 percent of marketers (9 percent of IT respondents) said their businesses could publish app updates in less than a week. The majority fell into a range between a week and three months.

Overall, everyone agrees that developers are the ones with the primary responsibility to update apps (not surprisingly, 58 percent of IT decision makers said this, versus 42 percent of marketers). Twenty-nine percent of marketers said it was marketing’s responsibility. Only 9 percent of IT respondents agreed.
In spite of this nod to a reliance on development teams for updates, the majority of respondents (74 percent of marketers and 78 percent of IT decision makers) said that teams needed to make updates independently of development or IT. According to 58 percent of IT responders, this is already happening (as opposed to 38 percent of marketers)—likely through content management systems or similar technology—which suggests again a difference in perspective on how mobile is being handled throughout the company.

Respondents from the retail and travel and hospitality industries were more likely to claim changes were already being made to their apps without IT’s help. Financial services respondents said this was happening less often in their industry, though they wished it would happen more.
Once you have an app or a mobile website, it doesn’t do you much good if nobody visits it. Obviously, your job is to get people to come and participate in the experience you’ve so carefully crafted for them. This doesn’t have to be expensive.

You want to start with the channels you already have. Send emails and make your mobile experiences available on your website. Then, you can start branching into other avenues, such as paid media. But as you do so, make sure you look at each of these channels and gauge their effectiveness. Which are bringing in the most customers? Which are bringing in the best customers?

Effective acquisition is crucial to your mobile maturity, and the most successful businesses do it with grace and ease. Let’s see who is using which acquisition method and how.

Customer acquisition.

In acquiring new users to their apps, marketers prefer paid media. In fact, 78 percent of respondents use paid media, compared to 62 percent who use owned media and 50 percent who use earned media.

This is slightly different than how marketers are driving acquisition to their mobile websites. While the owned and earned media percentages are essentially the same, 54 percent of respondents claim to be using paid media to drive traffic to their websites. Perhaps ad fatigue and other similar causes are contributing to this difference.

In both cases, the same paid media tactics are being used: social, search, display and video, though again we see a predictable difference. More marketers are using search as a path toward their mobile websites (74 percent) than as a means to acquire app users (66 percent).

Financial services respondents were more likely to claim they use earned media on apps, but less likely to use it on their mobile websites. Retail respondents were the opposite.
Understanding how your mobile experiences are performing is crucial to the life and health of your mobile strategy. Analytics for mobile are different than for desktop because they have to be able to measure the immediacy that’s inherent in mobile.

You need to gather a wide variety of data to understand how well your app or mobile website is performing. You need to see who’s using the app and how, which features they like and which they love. You need to know what brings them back and what pushes them away. You can learn these things by looking at simple metrics like launches and session length. Or you can dig into more complicated but meaningful metrics like lifetime value or a customer’s experience across all digital platforms.

Analytics is a core discipline for any business seeking mobile maturity, so it’s not surprising that the research suggests that many businesses are using analysis of their mobile experiences effectively.

Mobile measurement.

Measurement is such a crucial part of any mobile strategy and our research suggests that most businesses are using it.

Marketers (78 percent) and IT decision makers (85 percent) agree that their companies are measuring customer engagement over time. In fact, 71 percent of marketers and 79 percent of IT respondents say their companies measure customer engagement at least weekly.

With other measurements, IT respondents are predictably more generous than their marketing counterparts. For example, 78 percent of IT decision makers claim they calculate lifetime values, while only 64 percent of marketers say the same. Similarly, 84 percent of IT decision makers measure the effect of mobile on other channels. Only 67 percent of marketers agree. Again, it’s possible that marketers have more rigorous criteria when it comes to how they define these metrics.
Modern apps provide incredible opportunities to interact with your customers, but how are businesses actually doing it? What tactics do successful businesses with mature mobile marketing strategies use to engage their customers?

The engage part of the mobile marketing lifecycle covers everything from effective onboarding to good testing and optimization, which leads to powerful personalization. Using these tactics can lead to great engagement with your customers, but it’s important to know which tactics work. Push notifications, re-engagement and other efforts sound good on paper, but it’s helpful to know if companies really using them.

Customer engagement.

Marketers are using similar engagement tactics as 2014, with around half of all respondents using push notifications and re-launch campaigns through owned and paid media. IT respondents, however, were much more likely than marketers to say they used push messaging (69 percent compared to 55 percent).

Companies are improving in their use of A/B testing, however, to optimize conversion funnels. In 2014, 56 percent of those who took the survey said they used A/B testing. This year, 66 percent of marketers and a whopping 78 percent of IT respondents said they did.

This research suggests that the media and entertainment industry is even more aggressive with its optimization efforts than other industries. Seventy-eight percent of media and entertainment respondents say they use A/B testing to optimize their conversion funnels.

Mobile location.

Technically, location is a feature that spans the whole mobile marketing lifecycle, but it’s such a crucial part of engagement, we’ll look at what the research says about it here.

Like in 2014, nearly half of our respondents say their businesses are using GPS location data to personalize mobile experiences. About a quarter are using beacon technology to do the same (up a bit from last year).

Again, however, we see a difference in the way IT decision makers report things and the way marketers do. Nearly 10 percent more IT decision makers say they use GPS location data. At the same time, while about the same percentage of both groups say they use beacons, significantly more IT decision makers say they’re planning on implementing beacons in the next year (45 percent of IT decision makers versus 34 percent of marketers).
Mobile is changing. 
You can too.

In five years, where will we be? It’s impossible to guess, but mobile will definitely be a part of it. Today, virtually everyone your messaging reaches has and uses a mobile device. The cultural shift has already happened. The question is, are you a part of it?

In this report, we’ve shown trends and behaviors demonstrated by marketing and IT decision makers who’ve self-identified as mobile marketers. By comparing your mobile behaviors with those in this report, you can gauge your own readiness to dominate this crucial space.

Mobile maturity requires a comprehensive approach. In order to embrace mobile as your marketing strategy, you need to start with your organization, and then dive into the tactics. The mobile experiences that are successful are the ones that come from the fertile soil of a strategy that can guide you every step of the way.

Businesses that excel in mobile have a plan to constantly manage and improve their apps and mobile websites. They actively drive traffic to those mobile channels and analyze that traffic to understand what’s working and what’s not. Then they take steps to improve what they can and trim away what they can’t.

The results published in this report show that, while there is much work to be done, businesses are actively engaging in improving their mobile maturity. If it’s not happening in your business, it can. Use this research as a springboard to launch discussions in your organization about how you can improve.

Not every business that responded to our survey has achieved mobile maturity, but many of them are on their way. You can too.
Adobe Marketing Cloud is the most comprehensive and integrated marketing solution available, enabling marketers to measure, personalize, and optimize marketing campaigns and digital experiences for optimal marketing performance. With its complete set of solutions, including Adobe Analytics, Adobe Target, Adobe Social, Adobe Experience Manager, Adobe Media Optimizer, Adobe Primetime, Adobe Audience Manager and Adobe Campaign, as well as real-time dashboards and a collaborative interface, marketers are able to combine data, insights and digital content to deliver the optimal brand experience to their customers. And it gives you everything you need to get deep insight into your customers, build personalized and unified customer experiences and manage your content and assets.