

Mobile Marketing Strategy guide

A strategic guide to creating a plan to increase the commercial contribution from mobile audiences

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MOBILE MARKETING STRATEGY GUIDE

A practical guide to creating a plan to increase the commercial contribution from mobile audiences

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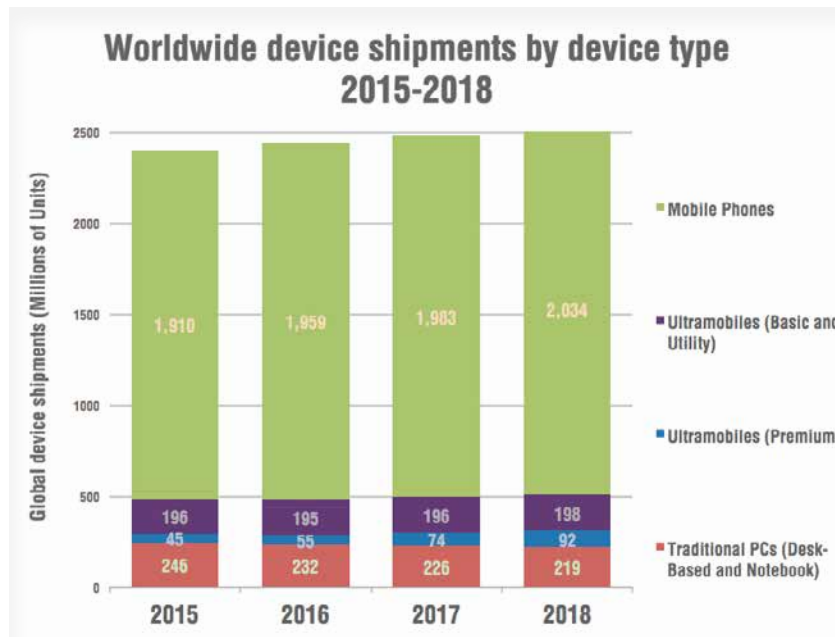
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Introduction

The growing importance of mobile marketing

Anyone who works in digital marketing or e-commerce cannot have missed the forecast made by Mary Meeker, an analyst at KPCB in 2011. She predicted that, by 2014, mobile internet use would overtake desktop Internet usage globally¹. This point has now been passed long ago and mobile device usage continues to grow. Projections from Gartner for future device adoption shows how mobile will increase further through time.



The popularity of mobile devices, many of which are now smartphones shows why businesses must continue to prioritise investments in mobile marketing. Reaching consumers as they use mobile devices and developing compelling mobile experiences is the future for customer communications and developing customer experiences, which must also be effective on desktop too.

What is it? Mobile marketing

Mobile marketing involves reaching and engaging audiences on smartphones, tablets and other mobile devices to create mobile customer experiences that help support omnichannel marketing goals.

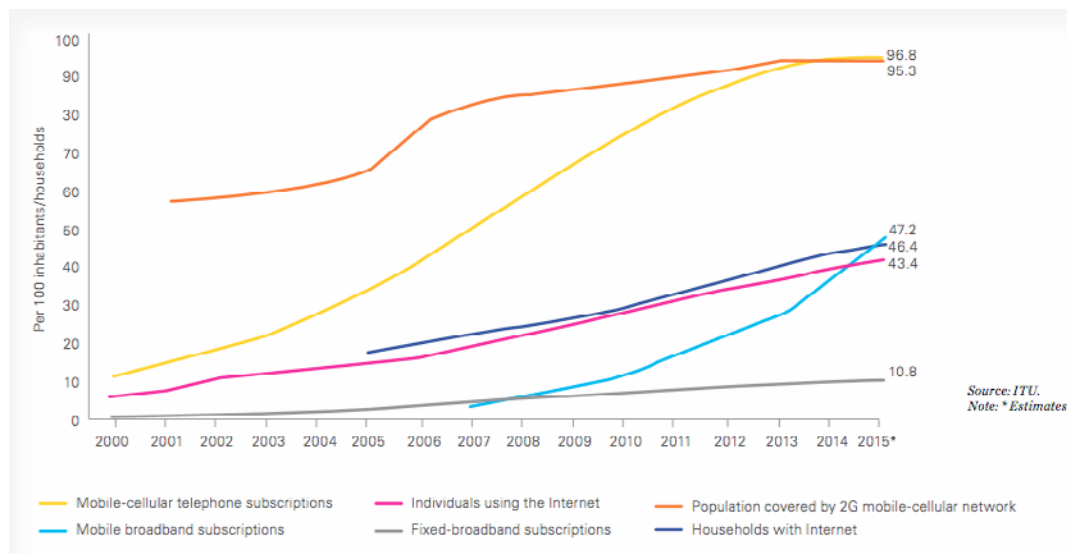
How have mobile customer interactions increased for your business?

Most businesses have experienced rapid growth in mobile use of their websites as would be expected from the dramatic growth in mobile shipments. How has mobile use of your sites increased according to your web analytics? The next chart² from the International Telecomms Union who record mobile usage in all countries worldwide shows a dramatic increase

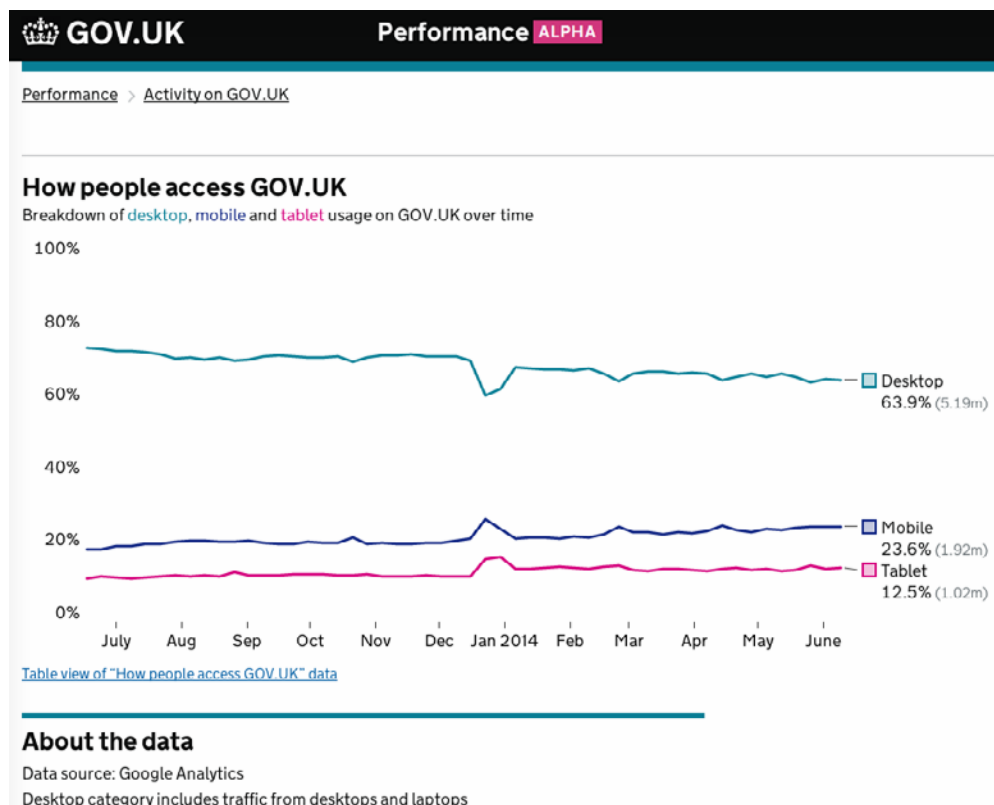
¹ [Smart Insights: Summary of Mobile adoption trends](#)

² [International Telecomms Union: global mobile adoption statistics](#)

worldwide in mobile broadband subscribers in the last few years (the blue curve).



These dramatic figures of the growth in mobile have led some commentators to describe the need for a 'mobile-first' strategy, but we caution that desktop will remain important for higher-involvement Ecommerce transactions. So we recommend an integrated mobile strategy. This public example of use from the UK government site³ reminds us how desktop visits can remain important.



³ [UK Government live usage figures for 8 million monthly users](#)

This example also shows us that mobile is still not the dominant platform, yes it is important and becoming more so, but we have to develop site designs that remain effective for desktop use too and not necessarily develop a company app for reasons we will discuss later.

Strategy recommendation 1 Don't blindly invest in mobile because of the hype

Yes, mobile marketing has already transformed the way the Internet is used by many for some activities, but it doesn't mean every business has to have a mobile app and it's important not to degrade the desktop experience when creating mobile optimised sites.

To benchmark use of mobile devices for your site compared to others we recommend reviewing the quarterly Monetate benchmark which we present data for in our regular quarterly updates of benchmarks⁴. This is particularly relevant for transactional sites comparing conversion rates. Their latest data shows that Ecommerce conversion rates on Smartphone are less than half of those on mobile, showing the need to optimise conversion on mobile and integrate with other channels.

Conversion Rates		Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	Global	3.42%	2.83%	3.08%	3.02%	3.48%
	US	3.60%	2.91%	3.18%	3.09%	3.62%
	UK	3.65%	3.56%	3.97%	4.08%	4.20%

Conversion Rates by Device		Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
GLOBAL	Traditional	4.15%	3.40%	3.74%	3.71%	4.43%
	Tablet	3.41%	2.83%	3.22%	3.20%	3.75%
	Smartphone	1.20%	1.13%	1.24%	1.37%	1.53%
US	Traditional	4.41%	3.54%	3.90%	3.84%	4.66%
	Tablet	3.59%	2.92%	3.32%	3.28%	3.89%
	Smartphone	1.16%	1.05%	1.17%	1.24%	1.43%
UK	Traditional	4.66%	4.34%	5.04%	5.32%	5.39%
	Tablet	3.52%	3.27%	3.76%	3.83%	4.02%
	Smartphone	1.94%	2.35%	2.45%	2.86%	3.05%

The UK government site example also reminds us that when we plan improvements to mobile customer experiences, we have to ensure we use an approach that works for both smartphone, tablet and the emerging 'phablet' devices which are in between. Both smartphone and tablet use gives a different form factor and context of use, but in both cases we need to remember that use of these devices isn't independent; it's closely related to other channels including:

- ✓ **Desktop websites** – these are still where the majority of sales transactions occur
- ✓ **Social media sites** – the majority of social media use occurs on mobile devices
- ✓ **In-store (where relevant)** – we will see that many retailers successfully integrate mobile use in store
- ✓ **Traditional media (where relevant)** – mobiles are commonly used when users watch TV (multiscreening), listen to the radio or read newspapers and magazines.
- ✓ **Call-centre (where relevant)** – it's natural that consumers or businesses who are interested in a product or service may want to call the provider for further information.

⁴ [Smart Insights Quarterly Benchmark updates](#)

The opportunities from mobile interactions for brands

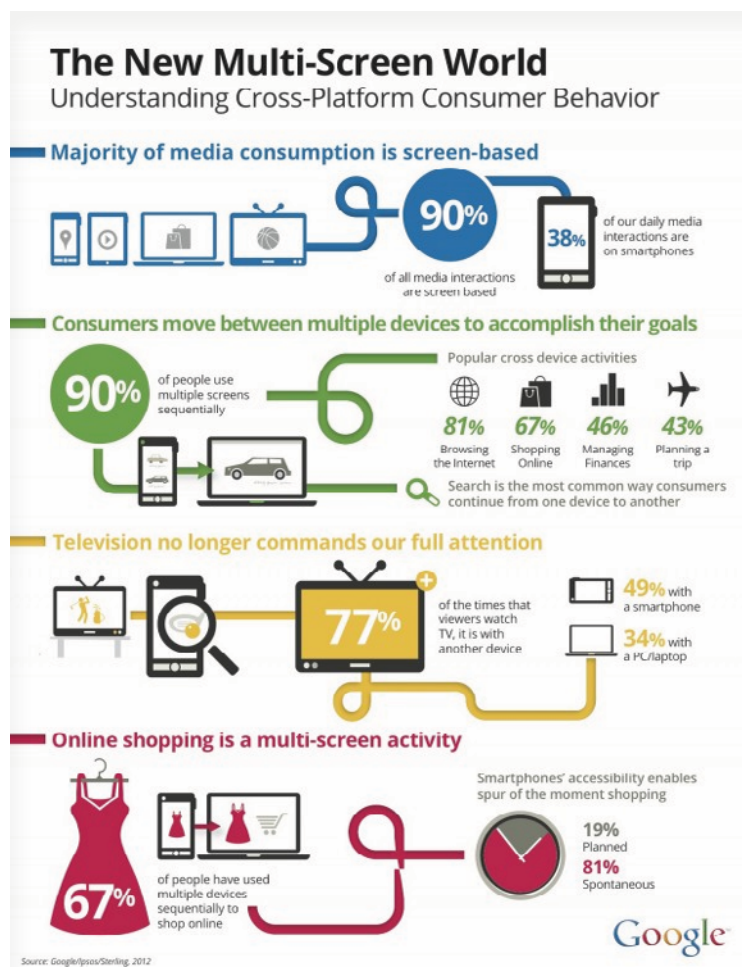
When assessing how we use mobile devices and media for marketing, there is a tendency to limit our thinking to mobile commerce transactions. There are certainly great opportunities for mobile commerce shown by the early, enthusiastic adopters like Amazon and eBay.

Amazon's continued success online is today underpinned by a strong mobile performance, with sales via its mobile site and app reaching \$1 billion for the first time way back in 2011. eBay reported mobile sales transactions of \$22 billion in 2013, an increase of more than 70% compared to 2012⁵. eBay's senior director for EU mobile Olivier Roars, reminds us of the real threat mobile presents to traditional retailers:

'Almost 50% of people with smartphones will check prices in-store. When something isn't available on the rail, the smartphone is a more efficient way of shopping. The smartphone is giving a lot of power to the consumer.'

What are the main consumer brand interactions?

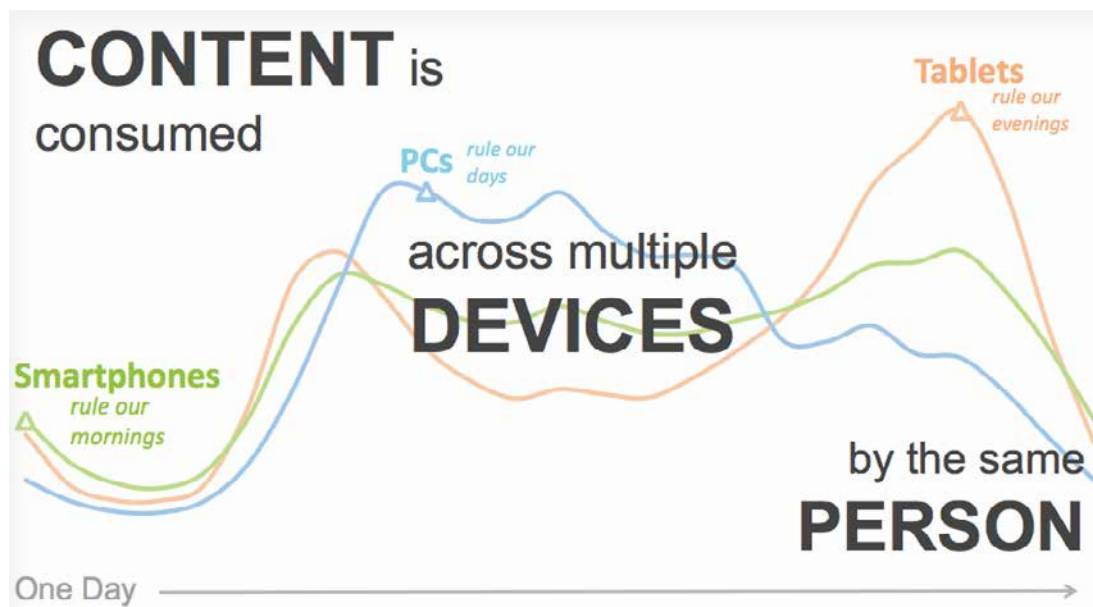
To help make the case for mobile and make the most of the many opportunities it presents, you need to explain the full range of interactions beyond mobile commerce. As we will see in Step 4, mobile search volumes are increasing rapidly, while in Step 7 we highlight the continued growth of mobile use through social networks and location-based services.



Google infographic summarising the new multiscreen world

⁵ [eBay Investors relations: Annual report](#)

There is a natural ebb and flow of mobile and desktop use through the day. This comScore summary shows the pattern of behaviour you should keep in mind to prioritise communications through the day.



A summary of the multidevice day: Source: comScore

Strategy recommendation 2 Develop mobile strategy based on new consumer behaviours

We recommend that you start developing your strategy, not by thinking about mobile sites or apps, but instead thinking about the different situations where consumers use mobiles.

For example, as they follow up on a TV ad as they sit at home; search for a restaurant in town; scan barcodes or action codes in a store or simply read their emails as they commute to work. Don't think smartphones, but smart users. Ask 'How are our early adopters using smartphones and tablets in practical and innovative ways?'

The next diagram shows how we see the many mobile touchpoints and the opportunities they give for brands to interact in new or different ways with their customers.

Your mobile marketing strategy should be split into reviewing the best investments for mobile brand *discovery* which are the options for mobile marketing communications through messaging and other sites and mobile brand *experiences* which is where you create mobile-optimised sites, apps or mobile commerce sites to interact more deeply with customers.

Mobile brand discovery mainly involves promotional push to encourage adoption of mobile services and interaction with the brand, plus pull via search engine optimisation (SEO) as customers use search, publisher sites, messaging and offline ads (for example through QR (Quick Response) codes).

The core mobile marketing touchpoints requiring management

We're not saying you need to work on all these activities! Instead, this diagram shows your range of options for reaching and interacting with consumers on mobile for which you will need to review the balance of investment as part of your mobile strategy.

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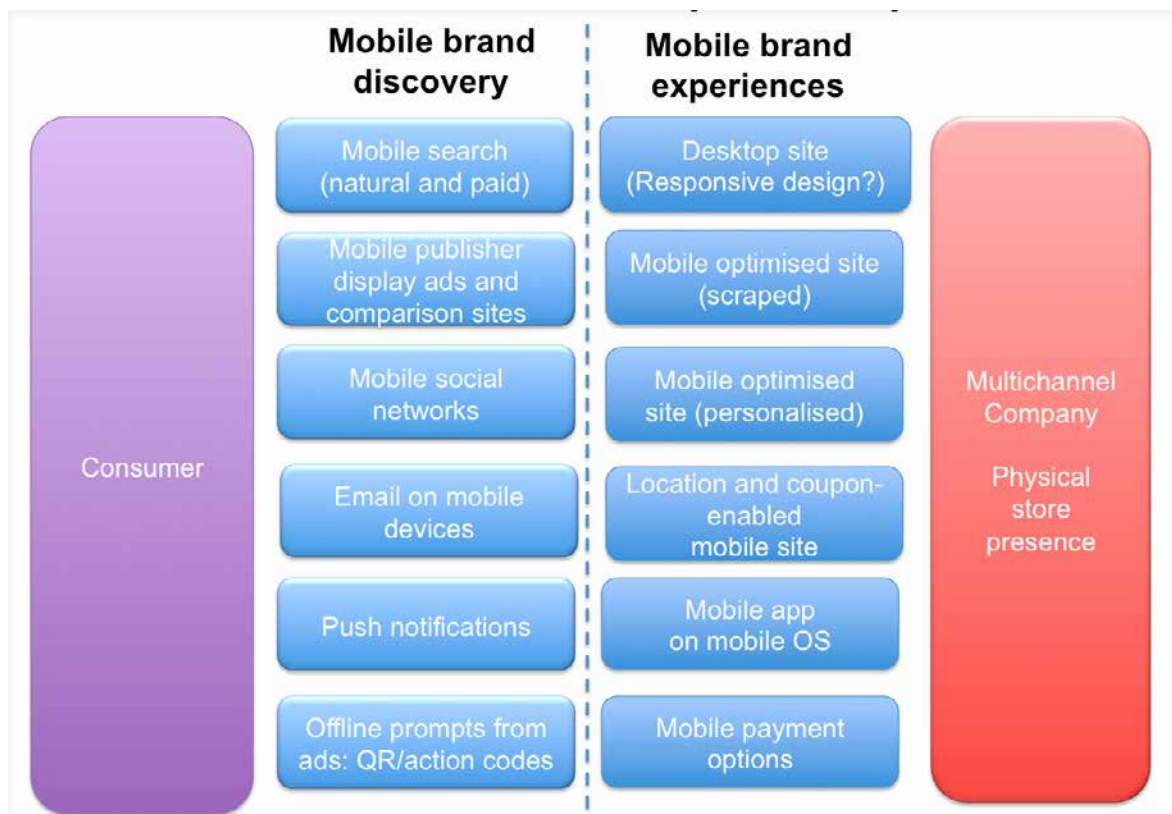
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Mobile touchpoints needing management

This table shows how you can summarise your mobile plan. It defines the options you have selected for interacting with mobile users across the touchpoints of the RACE customer lifecycle.

Funnel stage	Key mobile marketing activities	KPIs
Reach	<i>Mobile discovery and promotion of mobile services</i> <ul style="list-style-type: none"> ✓ Mobile search marketing ✓ Mobile display ✓ Offline prompts through action codes 	<ul style="list-style-type: none"> ✓ Mobile share of search (% of site visits referred through mobile) ✓ Mobile reach through display ✓ Unique visits to mobile sites
Act	<i>Encouraging mobile consumer interactions</i> <ul style="list-style-type: none"> ✓ Mobile-optimised sites ✓ Mobile-specific content ✓ Mobile-specific offers ✓ App downloads 	<ul style="list-style-type: none"> ✓ n, % of mobile opt-ins ✓ n, % of app downloads

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Funnel stage	Key mobile marketing activities	KPIs
Convert	<i>Online and offline sales delivered by mobile</i> <ul style="list-style-type: none"> ✓ Mobile commerce sites ✓ Transactional mobile apps ✓ Mobile voucher campaigns 	<ul style="list-style-type: none"> ✓ Mobile conversion rates and average order value ✓ n, % mobile channel sales and profit contribution ✓ Offline sales referred by mobile vouchers
Engage	<i>Creating customer loyalty and advocacy</i> <ul style="list-style-type: none"> ✓ Social commerce interactions ✓ Mobile CRM ✓ Mobile messaging 	<ul style="list-style-type: none"> ✓ Repeat mobile commerce sales ✓ Repeat app usage ✓ Mobile satisfaction ratings ✓ Mobile messaging response rates and value generated

Best Practice Tip 1 Define KPIs to show mobile contribution to effectiveness

The table also shows how it is useful to identify KPIs which show the effectiveness and efficiency of mobile across all customer interactions.

In later sections of this guide we will explore, in more detail, how mobile marketing activities can be used to support each of the areas of RACE.

About the Lead author, Rob Thurner



Rob Thurner is a mobile consultant, author, trainer, and speaker with 10 years experience in the mobile sector.

He is Managing Partner of [Burn the Sky](#), the mobile communications agency which helps clients to communicate with consumers through connected screens.

Rob delivers mobile consultancy and mobile talent development projects for clients including American Express, Barclays, Barclaycard, Betfair, Carphone Warehouse, Heineken, O2, Paddy Power, Richemont, TUI and multiple global agency groups.

He runs workshops and digital marketing courses for marketers of all levels of expertise across Europe and the USA. His training partners include the IDM, Econsultancy, The Knowledge Engineers, Emarketeers and the IAB.

Following a BSc (Honours) in Politics from Bristol University, Rob began his career as a journalist and then public affairs consultant before joining media start up TDI (now CBS Outdoor). He moved to Clear Channel International and served as Group Marketing Director for the company's Business Units across 40 countries in EMEA and Asia Pacific.

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The Smart Insights Digital Experience Toolkit

This 7 Steps Mobile Marketing guide will teach you how to develop an overall mobile strategy. Smart Insights Expert members can consult the other resources in our [Digital Experience Toolkit](#) in our members area to drive the performance of both their mobile and desktop marketing efforts by specific recommendations on site design. We recommend:

- ✓ **Inbound Marketing Quick Wins template**, fully updated to cover the latest inbound marketing techniques across the full customer lifecycle structured around the Smart Insights RACE planning approach, this guide lets you apply a consultant's approach yourself by following the questions you need to ask.
- ✓ **Customer persona toolkit**, aimed at helping agencies and consultants improve their use of design personas and also to develop customer journey maps including mobile.
- ✓ **Landing Page Conversion and Improving website results guides**, detailed best practice tips for desktop and mobile sites with over 50 examples of best practice to inspire improvements to your landing pages covering a range of sectors from retail, financial

Digital Experience Management

Learn how to make your mobile and desktop website designs more persuasive using our insight-driven approach. This toolkit explains how to use Google Analytics to identify improvements and recommends web design best practices.

We also recommend these closely-related guides to develop your Mobile strategy:

- ✓ [Ecommerce Design pattern Bible in our Ecommerce toolkit](#) features many mobile examples of mobile optimised page layout and design best practices
- ✓ [Online Marketing Benchmarks statistics compilation](#) to save you time in searching for the latest, most reliable online marketing benchmarks, this guide gives you a single source of the latest and most reliable sources.

ONE

Making the business case for mobile

- ❑ Q. Have we created a business case to prove the need for investment in mobile marketing?

Despite excitement around the potential of mobile marketing, it hasn't led to whole new budgets. You will need to convince senior colleagues that mobile warrants more investment. In reality, we are talking about reallocation of budget, often from funds earmarked for desktop site development and media spend, to activate advertising via mobile devices.

Strategy recommendation 3 The business case for investment in mobile

To warrant reallocation or substitution of existing budget to invest in mobile marketing, you must demonstrate superior commercial value from mobile technologies.

A survey of 6,000 marketing and ecommerce professionals by Adobe, in partnership with Econsultancy, revealed that just 13 per cent of companies described themselves as “mobile first”, and only 36 per cent agreed they had a mobile strategy in place.⁶

Having immersed ourselves in the world of mobile for over 10 years, it comes as no surprise that so many brands are still dragging their heels on mobile strategy.

Despite bullish predictions regarding the growing importance of mobile to consumers, many companies fail to grasp the opportunity to transform their businesses through the channel and integrate mobile into their broader strategy.

Twelve months on from our last update to this guide, the stakes are higher than ever for businesses to get to grips with mobile. Consumer expectation of a quality mobile experience has shifted to mobile users of all age brackets. We've seen a strong shift towards mobile-focused UX design. Google's prioritisation of mobile-friendly webpages in search - aka 'Mobilegeddon' - provides clear evidence that businesses failing to improve the mobile user experience of their sites are now suffering through poor page rankings⁷.

How to make the business case for mobile marketing investment

We recommend these six steps to help develop the business case for mobile:

- ✓ 1. Define the scope of mobile marketing investment.
- ✓ 2. Review current and forecast consumer use of mobile channels.
- ✓ 3. Benchmark competitor use of mobile.
- ✓ 4. Create mobile return-on-investment models.
- ✓ 5. Select and prioritise mobile options and create a roadmap.
- ✓ 6. Write the business case.

1. Define the scope of mobile marketing investment

One of the difficulties with creating a mobile strategy is that it is so wide ranging. You need to communicate to colleagues that it's not just about a mobile site or app and that mobile

⁶ [Econsultancy-Adobe Study – Quarterly Digital Intelligence Briefing](#)

⁷ See Section [FOUR](#) for a full explanation.

technology has its own ecosystem of technologies and suppliers. The diagram below shows some of this complexity. We must consider:

1. **Operating system platforms.** Different manufacturers support different technologies. Because of consumer use of these platforms you should consider supporting both Apple's iOS and the Google-supported Android which most Samsung, HTC and Motorola handsets now operate. Larger companies will want to support the Windows Phone platform, and some enterprise clients still support Blackberry.

2. **Devices.** In addition to ensuring your mobile site or app works on core operating systems, you should check the specific capabilities of the most popular smartphones, tablets and even legacy 'feature phones' to optimise user experience for your mobile customers, whatever device they use.

3. **Wireless technology platforms.** Fast-growing multichannel retailers must also support customers using Wi-Fi in-home, in-store and in other Wi-Fi hotspots to deliver a better browser experience.

4. **Mobile ad networks and mobile vouchers.** To reach audiences online you should consider specialist ad networks and operator portals. For example: using mobile network voucher-based offers.

5. **Payment services.** The traditional payments market, historically dominated by banks and credit card providers, is being challenged by players in the mobile carrier, handset and payments technology industries⁸.

6. **Location-based services.** Proximity marketing is a powerful way to deliver location based messages and promotions. Facebook, Apple and Google have solutions to help you deliver precise geo-targeted campaigns.



The main components of the mobile marketing ecosystem

⁸ We will review these in Section [FIVE](#).

Key Strategy Recommendation 4 Responsive web design

Responsive web design (RWD) aims to deliver websites with an optimal viewing and interactive experience across a wide range of devices.

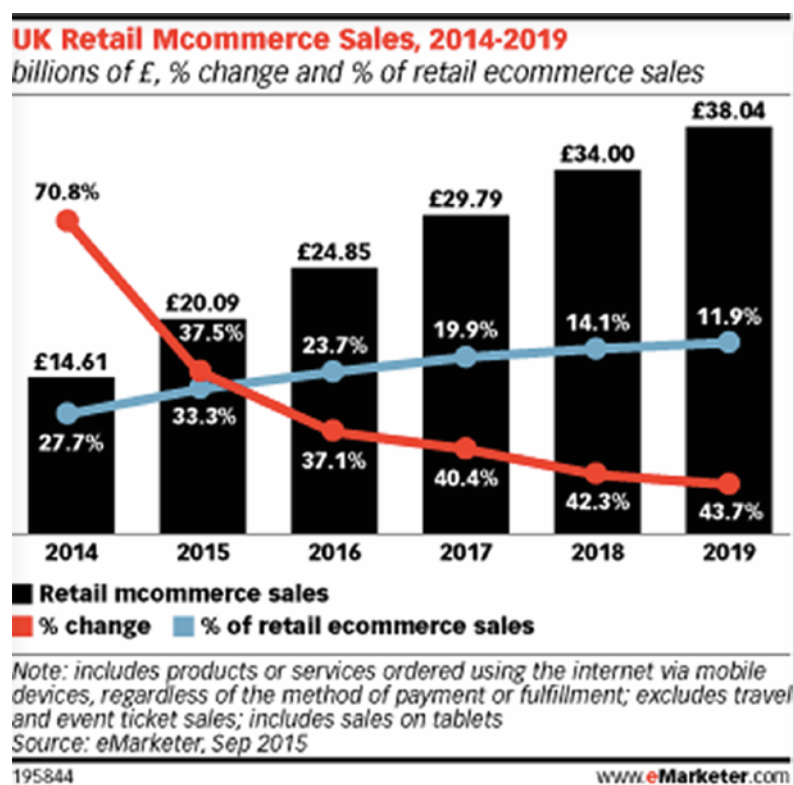
A diverse range of stakeholders have been working hard to monetise the mobile opportunity – device manufacturers, technology providers, digital service providers, payments providers, mobile platforms and ad networks.

Mobile operators developed the infrastructure upon which the whole mobile ecosystem has thrived. However, the explosion in native apps and rapid roll-out of Wi-Fi networks has inspired a broad range of ‘OTT’ internet-based communication platforms, including Skype, WhatsApp, iMessenger and Viber. For the first time in 20 years operators are seeing a drop in SMS use.

So how are the mobile operators responding to the challenges posed by other players in the mobile ecosystem? In a word: collaboration with one another and with other commercial interests. Operators start from a position of strength, in owning the customer relationship. Their access to vast amounts of anonymised customer data forms the basis of highly-targeted services to fast track companies’ mobile adoption.

Often the UK acts as the market in which global operators test, learn from, and adapt mobile models before rolling products and services out to other markets. Weve is a joint venture between the UK’s three largest operators, EE (acquired by BT), O2 (likely to be acquired by Hutchison), and Vodafone. Launching with an opted-in database of 15 million customers, Weve identified four distinct areas of mobile strategy to assist brands and deliver the customer journey.

2. Review current and forecast consumer use of mobile channels



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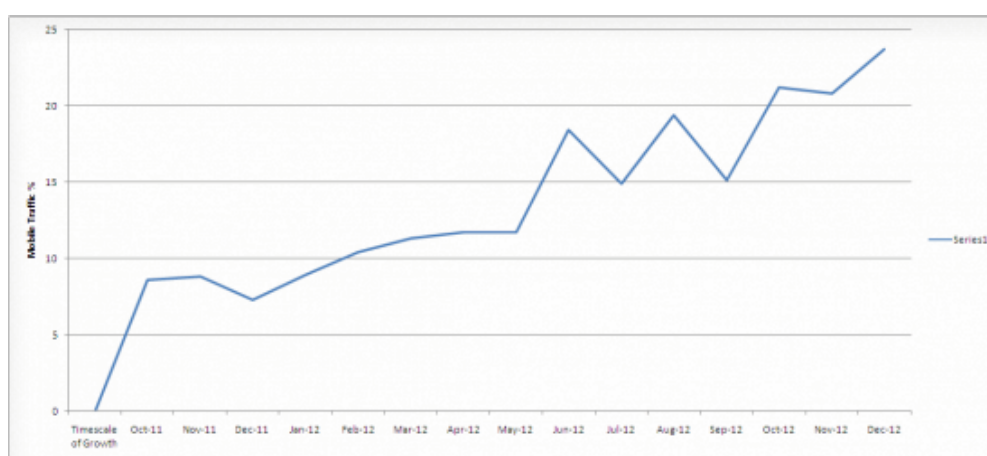
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Using analytics and, in particular, advanced segments is key to understanding the effectiveness of mobile sites in order to continue optimising them.

Strategy recommendation 5 Analytics as the starting point for your business case

Using analytics, review growth in mobile visits to your website. You will likely find that bounce rates are higher and conversion rates are lower for mobile traffic. At Smart Insights we find that mobile visits from first time visitors are significantly higher, so it's important to cater to this segment. The insight from analytics should be used to argue the need for investment in mobile.

The anonymous example below was provided by a Smart Insights Expert member. It shows the rate at which mobile growth occurred in their consumer segment. You can use the Google Analytics Audience Mobile devices report to find relevant consumer usage.



Example of mobile site growth taken from Analytics

Best Practice Tip 2 Use advanced segments to isolate the mobile audience and then review their behaviour

Using advanced segments in Google Analytics will help you isolate visits from different mobile devices and show the volume and behaviour of these visits. You can segment through:

- ✓ Mobile device info (i.e. model of mobile).
- ✓ Mobile device branding (i.e. company).
- ✓ Service provider (i.e. network or Internet service provider).
- ✓ Mobile input selector (i.e. touchscreen or gaming).
- ✓ Operating system (i.e. iOS or Android versions).
- ✓ Other (includes screen resolution).

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You will need to make sure you have the tracking set up correctly for reviewing. If you're running an e-commerce site, the tracking of sales transactions in Google Analytics is almost always set up by the e-commerce provider, although there are often teething problems with accuracy or managing international sites.

Recommended resource? 7 Steps Guide to Google Analytics

The [7 Steps Guide to Google Analytics](#) explains goal set up and advanced segments.

For an e-commerce site, your main goal is simple: a sale registered through the checkout completion page. But that's the end of the funnel process, so you also need goals for previous points in the funnel. For example:

- ✓ Browse products
- ✓ Search products
- ✓ Add to basket
- ✓ Start checkout
- ✓ Individual checkout steps.

Ensure you can report on the percentage of mobile visitors performing all these activities to help build your case. Even for a non-transactional e-commerce site these types of goals are relevant.

We could quote a lot more statistics and it's likely they would be impressive, but they date quickly. Instead, we will direct you to the updated mobile statistics for Smart Insights members.

Best Practice Tip 3 Use published statistics to support your case

There are many country- and sector-based reports on consumer mobile adoption. We regularly update our [quarterly online benchmark statistics](#) which includes sections on mobile adoption and conversion rates.

Mini-case study: House of Fraser

In early 2014, after establishing that more than half of its traffic came from mobile, House of Fraser redesigned its website for touch screen devices. The retailer revised the user experience and reduced the load time of its pages - recognising the importance of speed for maximising mobile conversion.

At the time of the launch, House of Fraser Executive Director for MultiChannel, Andy Harding, said: "Consumer shopping habits are constantly evolving... We have changed our design strategy to ensure we provide the best possible experience for our online customers."

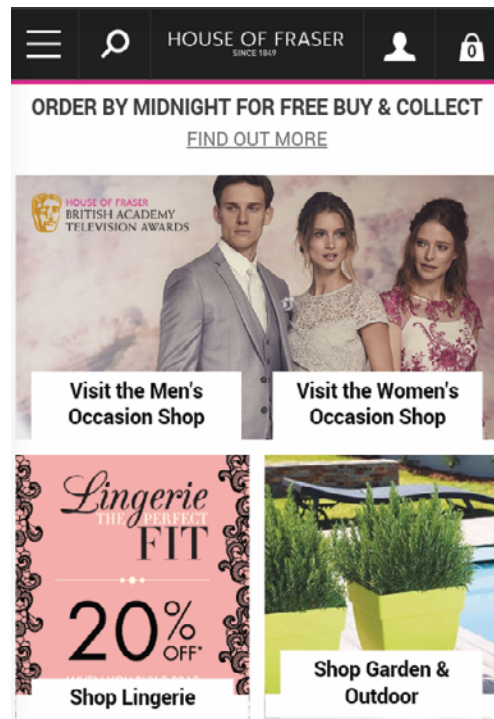
"We are always looking at ways to maximise customer shopping experiences."

More recently still, House of Fraser has restructured its entire operation to place its customer insight team - which combines the retailer's brand, CRM, product and multichannel functions - at the centre of the business.

Harding told Retail Week that the move came from the desire to make business decisions based on customer insight "rather than perception or opinion". He added that channel-centric structure hinders companies aiming to deliver a seamless experience.

"Customers don't think about channels anymore, they think of us as one business, whether mobile, tablet, or store... They want a consistent experience."

“We’re future-proofing our business as far as we can predict customer [behaviour].”



House of Fraser mobile site

3. Benchmark competitor use of mobile

To make your case for mobile, explain to colleagues what key competitors are doing to gain an edge.

Competitor benchmarking of mobile usage is based on features developed and the level of use of mobile services. To create yours, apply the techniques described in the Smart Insights Competitor Benchmarking Guide.⁹

Best Practice Tip 4 Benchmark

Fear of falling behind competitors can add to your case. Show the success of competitors or out-of-sector companies in using mobile sites, apps and campaigns.

Your new generation of customers expect a positive mobile experience, and older customers are becoming more demanding. Mobile-friendly brands are well positioned to gain share of voice through channels such as social media. Mobile-friendly brands also benefit from the halo effect of attracting and retaining high-calibre staff.

4. Create mobile return-on-investment models

How do you PROVE that investment in mobile marketing is worthwhile?

A commercially-driven argument will be strongest in many organisations. Create conversion-based models to illustrate return-on-investment (ROI). These should show how increasing

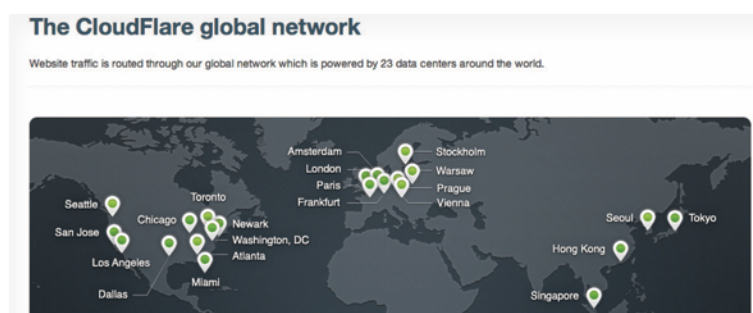
⁹ [Smart Insights: Competitor benchmarking guide.](#)

the level of mobile visitors or conversion rate by an anticipated percentage can increase the revenue generated.

This is particularly important when we consider the alarmingly high proportion of mobile transactions which fail to convert due to a poor check out experience. Amazon puts the figure at over 80%. Getting the check out process right yields a significant competitive advantage.

Take a look at this summary of what Venda has found¹⁰ amongst its clients. The company's former Chief Operating Officer, Damon Mannion, suggests that you should use the following types of insights to inform your business case:

- ✓ A mobile-optimised site will convert at around half the rate of a desktop site, however...
- ✓ Of people who research on their mobile device, 39 per cent go on to purchase on their desktop and 24 per cent go on to purchase in-store.
- ✓ Around 30 per cent of consumers use their mobile in-store to inform purchases through in-store Wi-Fi or scanning barcodes.
- ✓ Overall this will give rise to a two per cent increment in sales from creating a mobile-optimised site.



A summary of differences in proportions of screen usage and conversion rates.
Source: Venda

As explained above, to help develop these models you should look at trends in current usage of your sites on smartphones and tablets using mobile segments in analytics. When considering mobile marketing for transactional e-commerce sites, you can create revenue models showing sales uplift and online profit contribution from:

- ✓ 1. *Increased online conversion rates from a mobile-optimised site.* Using analytics for your desktop site you can show how conversion rates differ for site visitors using mobile devices and estimate an increase in conversion. Bear in mind that the situation in which users access mobile sites differs, so mobile conversions will typically *always* be lower than those for desktop platforms except in situations particularly suited to mobile transactions (e.g. booking a taxi or reserving a table).
- ✓ 2. *Increased online leads and sales from mobile app(s).* This part of the mobile revenue estimate is only relevant if you are considering creating a mobile-optimised site AND developing a mobile app. In this case you can estimate sales referred by the mobile app by calculating a sales prediction based on numbers of app downloads, conversion rates to sale and frequency of usage of apps. You can tap into the insights from retailers like Amazon and eBay who find the simplicity of apps results in higher conversion rates and

¹⁰ [Figaro Digital: Damon Mannion of Venda on modelling mobile conversion increments.](#)

revenue per mobile user. You may need to consider online app-based sales generated from app features and services which are part of the offline shopping experience. For example, if app users scan prices or offers offline from visual recognition codes, you will generate online sales. Mobile app commerce platform POQ estimates that retailers with online sales over £5 million should expect a 10% uplift in sales via a native app.

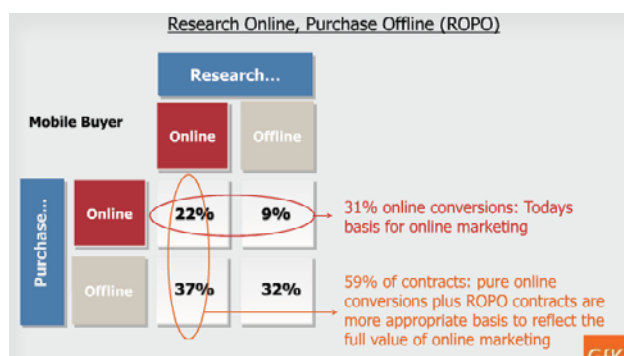
- ✓ 3. *Increased offline sales from online research.* This is known as the 'ROPO effect' related to multichannel customer journeys.

What is it? ROPO

ROPO stands for 'Research *Online*, Purchase *Offline*'. Although Research *Offline*-Purchase *Online* is another behaviour that is increasingly important since customers use their smartphones to scan online prices in-store.

- ✓ 4. *Increased online purchases from in-store research.* Consumers are increasingly using mobile devices to research purchases in-store, either over their carrier networks, in-store Wi-Fi or mobile scanning.

The figure shows a useful matrix for summarising these multichannel behaviours. This study¹¹ reviewed the role of the Internet in the decision process for mobile and broadband contracts involving the Vodafone website and stores in Germany based on a panel of 16,000 web users and questionnaires about their intent and purchase. For both of these services, the contract was signed online by around one-third of the audience. However, a significant proportion signed the contract offline.



Example ROPO model for Vodafone Germany. Source: Google.

This and similar research has been sponsored by Google to show the importance of investing in AdWords and display advertising. Consumer behaviour will vary dramatically by sector, so we suggest you complete research to estimate how this matrix looks for you.

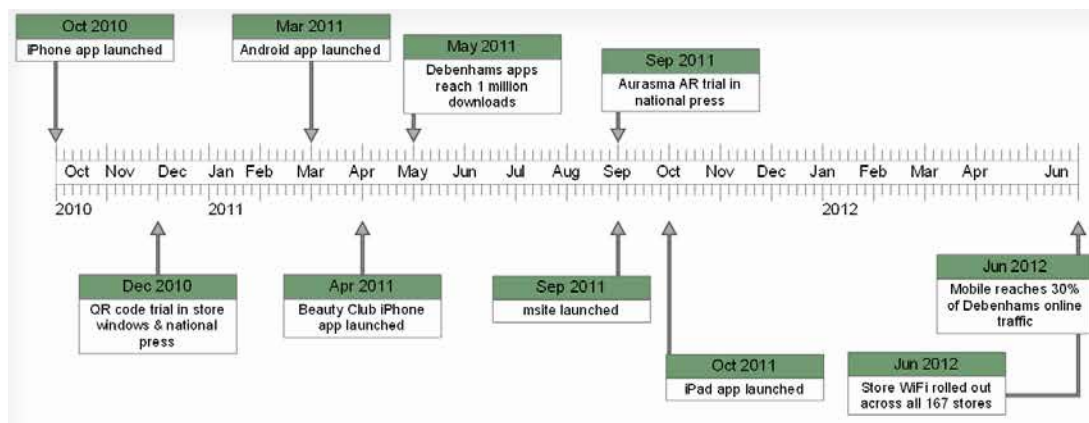
5. Select and prioritise mobile options and create a mobile roadmap

With the range of mobile options we have discussed in this section, it's likely you will not be creating a single mobile case for investment for one year. Mobile requires a long-term commitment so we recommend an extended roadmap using the format in our Digital Marketing Strategy Toolkit.¹²

¹¹ [Smart Insights: Vodafone ROPO example.](#)

¹² [Smart Insights: Digital Marketing Strategy toolkit.](#)

For example, Debenhams, a leading UK retail adopter of mobile shared this retrospective of their mobile development over the last two years or so. Mobile manager, Sarah Bailie explains: *'Integrating online in store should be top priority for all multichannel retailers looking to create an experiential and destination shopping experience. Debenhams' most valuable customers engage with the brand via multiple channels.'*



Debenhams mobile marketing roadmap.

Source: Sarah Bailie, Mobile commerce manager at Debenhams

6. Write the business case

According to digital strategy consultant Mike Berry writing in the Smart Insights Guide to Making the Business Case for Investment in Digital Marketing:¹³ *'From a commercial viewpoint, there are really only two reasons for organisations to spend money on digital marketing:*

(a) it delivers immediate ROI (or at least within a measurable time frame)

or

(b) it's becoming increasingly important, so it will in time deliver that ROI, which means that brand owners need to get involved now and "learn how to do it" or they'll be left behind.

Recommended resource? Smart Insights Business Case Template and Healthcheck

Our [Business case template](#) gives a structure for creating a business case. There are more ideas in the companion ebook.

The [Mobile healthcheck](#) is a useful place to start when making the business case for mobile. It will help you to establish your current position, like how user-friendly your business is for customers accessing your content on their mobile and tablet devices.

In its paper 'The Dawn of Mobile Influence: Discovering the Value of Mobile in Retail', Deloitte estimates smartphone influence on department store sales is due to grow to 24-27% in 2016. For every \$1 spent on mobile, mobile is influencing \$13 in store sales.

¹³ [Smart Insights: Making the business case for digital marketing.](#)

TWO

Mobile marketing strategy

□ Q. Have we developed a long-term mobile strategy?

Usage of smartphones and tablets has increased dramatically, but for marketers to make the most of this opportunity requires a proper plan. Without a long-term roadmap of initiatives, you will likely fail to make sufficient investment in mobile or, worse still, make the wrong type of investment.

Strategy recommendation 6 Develop an overall mobile strategy using a planning process framework like SOSTAC® combined with RACE

While many companies will invest in making their sites mobile compatible, far fewer have a strategy aimed at building customer engagement. We recommend reviewing how you can generate value at each stage of customer interaction from RACE: Reach-Act-Convert-Engage.

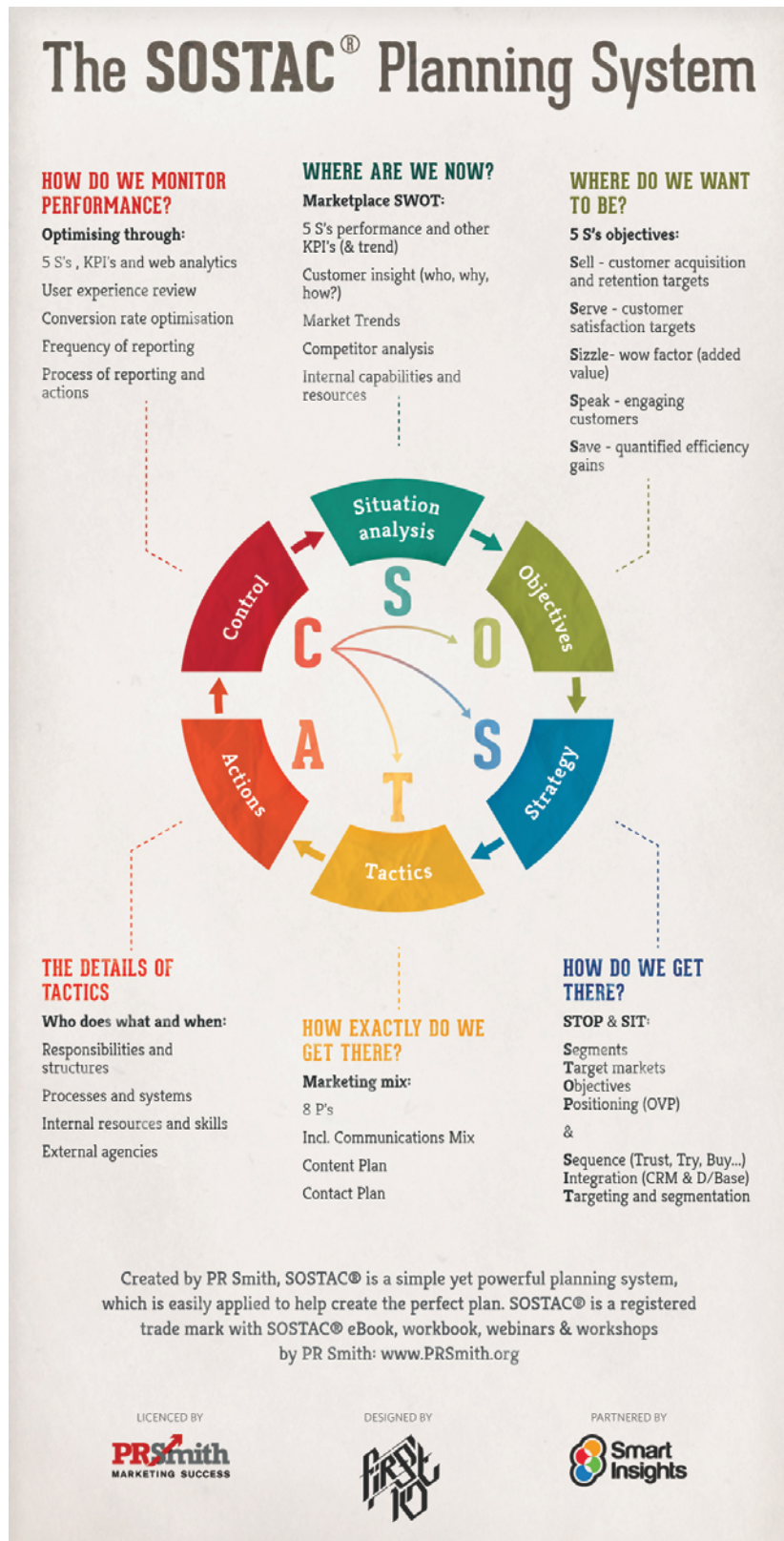
SOSTAC® is a strategic framework incorporating planning tools first laid out by PR Smith (see <http://www.prsmith.org>) to help structure and manage implementation. SOSTAC® stands for Situation, Objectives and Strategy, Tactics, Action and Control. The framework is covered in depth in Smart Insights' 7 Steps Guide to Developing a Digital Strategy, while in Emarketing Excellence Dave Chaffey and Paul Smith have adapted the SOSTAC® framework for digital marketing as shown in the diagram on the next page.

We recommend you choose SOSTAC® or a similar planning framework, otherwise you will be pulled in different directions by the many mobile marketing options. As the diagram on the next page shows, *Control* is a key part of SOSTAC®. Objective setting and budget modelling ensure your strategy and tactics are on track.

Here are some specific approaches we recommend for creating your mobile strategy:

- ✓ **Situation** – *where are we now?* Use analytics to assess current mobile usage and extrapolate trends in leads and sales. You also need to review competitor services.
- ✓ **Objectives** – *where do we want to be?* Create conversion-based models using market insight gained from your situation analysis. This, in turn, can be used to create SMART commercial objectives - Specific, Measurable, Achievable, Relevant and Time-Bound - for mobile-prompted online and offline leads and sales.
- ✓ **Strategy** – *how do we get there?* This isn't tactics, this is your mobile brand strategy. Start by considering key mobile audience segments based on customer personas and appropriate use cases. You should then define how mobile services will enhance the brand in a way that supports its existing positioning. This is your mobile value proposition.
- ✓ **Tactics** – *how exactly do we get there?* These are the core digital tactics within the RACE framework which we introduced at the start of this guide. These include: *Reach* (using offline ads and touch points, search marketing and display marketing); *Act* (defining content, offers and calls to action to engage); *Convert* (creating efficient registration and checkout) and *Engage* (customer communications through app notifications, email and social networks to build loyalty and encourage recommendations and referrals).
- ✓ **Action** – *what is our plan to implement the tactics?* Development and campaign plans.

- ✓ **Control** – *did we get there?* Mobile is arguably more measurable than other digital media, so ensure you test, learn and refine for better results.



PR Smith's SOSTAC® planning system applied to digital marketing. SOSTAC® is a registered trade mark of PR Smith (www.PRSmith.org)

Combining SOSTAC® with RACE

For each step of SOSTAC® you should consider the range of mobile interactions with customers as part of RACE. In this section we will suggest the main issues to consider for each as a checklist based on our combined SOSTAC® - RACE tool that we recommend for downloading.

Recommended resource? SOSTAC® – RACE review template

The Smart Insights Digital Marketing Toolkit contains a one page [SOSTAC® Word template](#) to create an initial or summary plan. It also contains more in-depth [SOSTAC® – RACE](#) templates to prepare a customised plan for your business or clients.

SOSTAC® Digital Marketing Plan outline incorporating RACE				
SITUATION				
Analysis of current company marketplace performance and opportunities				
Plan	Reach	Act	Convert	Engage
<ul style="list-style-type: none"> • Create Digital SWOT • Customer • Competitors • Intermediaries • PEST/SLEPT • Internal performance, capabilities and governance 	<ul style="list-style-type: none"> • Digital footprint/ search visibility • Social amplification and reputation • Awareness building • Campaign/ Always-on use • Content assets 	<ul style="list-style-type: none"> • Customer journeys • Value proposition • Engagement devices • Social outpost engagement tools and content • Permission marketing profiling and welcome 	<ul style="list-style-type: none"> • Conversion funnel • Value proposition • Review of automated email follow-up 	<ul style="list-style-type: none"> • E-communications effectiveness • Satisfaction gap analysis • Social conversations and advocacy
OBJECTIVES				
Setting SMART objectives for the future to track through KPIs in CONTROL				
Plan	Reach	Act	Convert	Engage
<ul style="list-style-type: none"> • Management dashboard 	<ul style="list-style-type: none"> • Visits unique visitors • Share of search 	<ul style="list-style-type: none"> • Lead conversion rate % (on/off) 	<ul style="list-style-type: none"> • Sale conversion rate % (on/off) 	<ul style="list-style-type: none"> • Customer satisfaction (NPS)

A checklist for developing a digital mobile strategy

This guide's coverage of mobile strategy will not go into detail on the core concepts of revenue models, proposition development and targeting - for that please see our strategy guide. Instead, we provide a checklist based on our [mobile marketing audit](#).

Situation analysis

- ☐ Q. *Has the range of mobile marketing options been defined?*
These are defined by our diagram in Section 1. They should be reviewed across RACE.
- ☐ Q. *Have we created a mobile-specific digital SWOT?*
A template is available in our Strategy Toolkit. We recommend the TOWs matrix.
- ☐ Q. *Has customer use of mobile platforms been assessed using advanced segments?*
This should include the full mobile funnel broken down into micro-steps as described in Section 1.
- ☐ Q. *Has competitor use of mobile platforms been defined?*
This is a marketplace review assessing use of mobile platforms supported for mobile sites, apps, mobile media used for activation, mobile propositions and use of mobile coupons and mobile customer relationship management (CRM). It should include direct and indirect competitors and also out-of-sector mobile leaders to assess future trends.

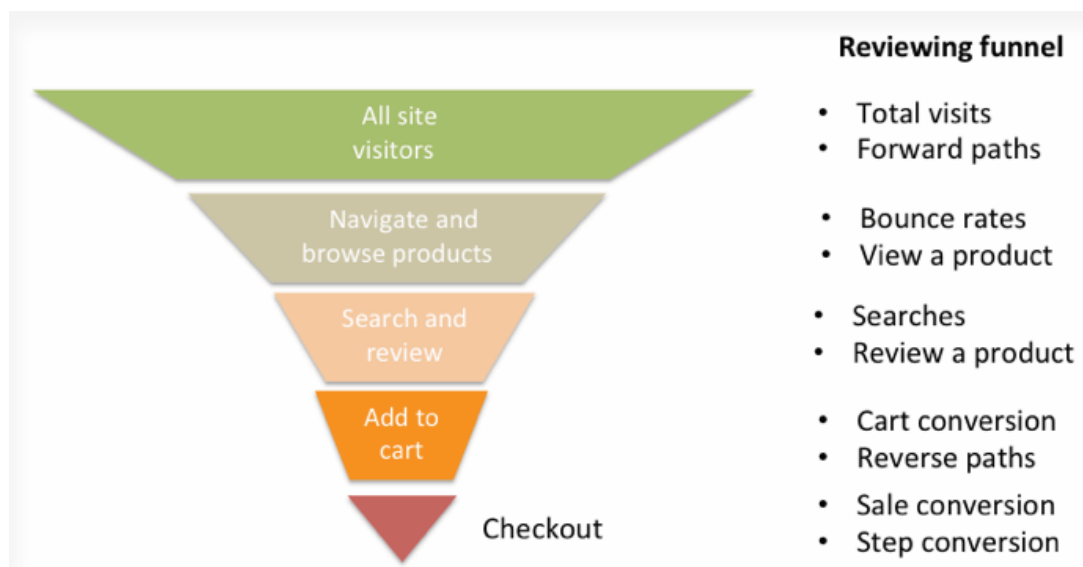
Objective setting

Applying SOSTAC is an iterative process, so you will need to review the Strategy section and model your objectives before they can be finalised.

- ☐ Q. *Has a business case for mobile been developed?*
- ☐ Q. *Do you have a roadmap of what you want to develop in the future?*
- ☐ Q. *Have objectives been set for the level of support for different mobile platforms and devices?*
- ☐ Q. *Have SMART objectives been set for each of the RACE customer interactions?*
Conversion or funnel-based models should be created so you can have a quantitative assessment of how many you can reach by mobile, encourage interaction, convert and keep engaged through mobile CRM.

Best Practice Tip 5 Build models based on all steps of the conversion funnel

Review how mobile site visitors and app users progress through the purchase funnel. What proportion of them are browsing categories, doing searches and adding to basket?



These micro-conversions in the e-retail sales funnel should be modelled and reported

Strategy

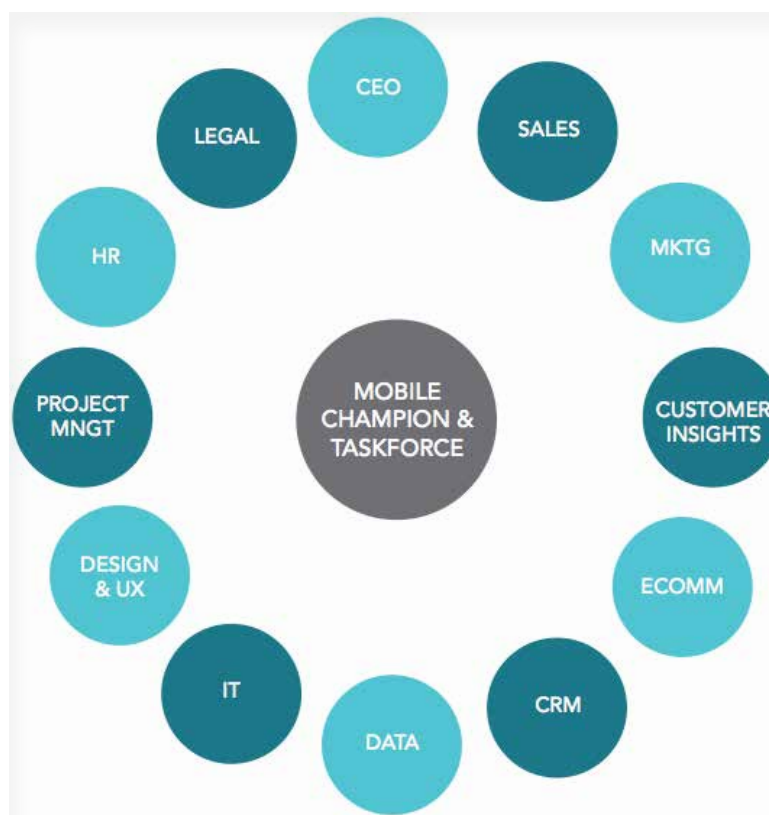
Returning to the first task we set in this book – making the business case for mobile – let's consider whether mobile needs its own strategy, or whether it should be built into the broader business strategy.

When we assess the power of mobile in activating customer response to other marketing activity (Section 4) providing a conversion channel to sales (Sections 3 and 5) and long-term engagement (Section 6), you could argue that a stand-alone mobile strategy is unlikely to succeed. To be really effective mobile must be fully integrated into other business processes, and form part of the business strategy.

There's no question that mobile is already a board-level agenda item for leading companies. They realise its strategic importance to their business success. Market leaders are aware that consumer behaviour has shifted throughout the purchase cycle thanks to mobile and tablet adoption. Just look at your web log files and track the proportion of visitors now accessing your site via their mobiles.

Consumers are leading the charge, and companies must match their demands.

Yet to realise its full potential, companies must build consensus for a top-down mobile agenda. It's simply not enough to expect a mobile champion or mobile task force to introduce and execute the company's mobile agenda without board level support. Consider the number and range of senior stakeholders shown in the diagram below who can feel threatened by the mobile revolution. These 'digital migrants', who typically match the 45–54 or 55+ demographic profile boxes, may see the disruptive threat direct mobile poses, but lack the knowledge base to take advantage of the opportunity to gain competitive edge for themselves and their companies.



Multiple stakeholders' view of mobile: opportunity or threat? Source: Burn The Sky

Working with stakeholders in a large organisation to agree change process

- ☐ Q. *Agreed stakeholder management and change management process in a larger organisation?*

Getting agreement in a small organisation is relatively straightforward, but what about a larger company? Board or senior management support for the mobile team mitigates this risk.

Strategy recommendation 7 Obtain stakeholder buy-in for change management process required by mobile

Working in concert, and following a single mobile agenda, carefully selected stakeholders can accelerate the productivity of the mobile champion or mobile taskforce. However, they all have the ability to sabotage mobile progress.

To fully embrace mobile, change management programmes should be set in place. The Gleicher Formula outlines the three necessary preconditions for programmes to be successful in overcoming the resistance to change that is natural to humans and organisations. If any one of the three - D, V, or F - are not present, change will not happen.

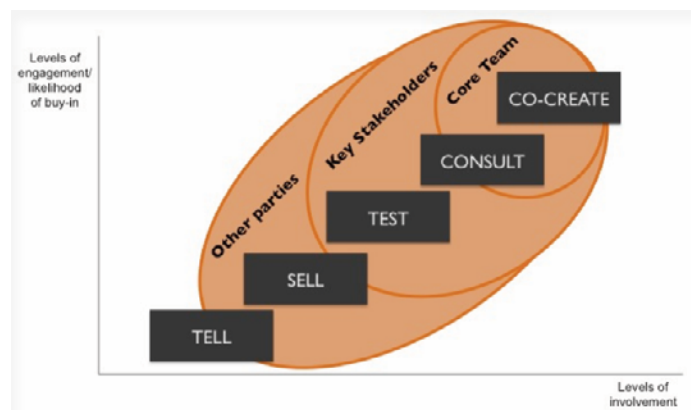


Managing change: The Gleicher Formula. Source: David Gleicher

In addition to a compelling vision, we would suggest that mobile strategy should also outline an urgent case for change and detail the first steps to maximize chances of buy-in and mobilisation.

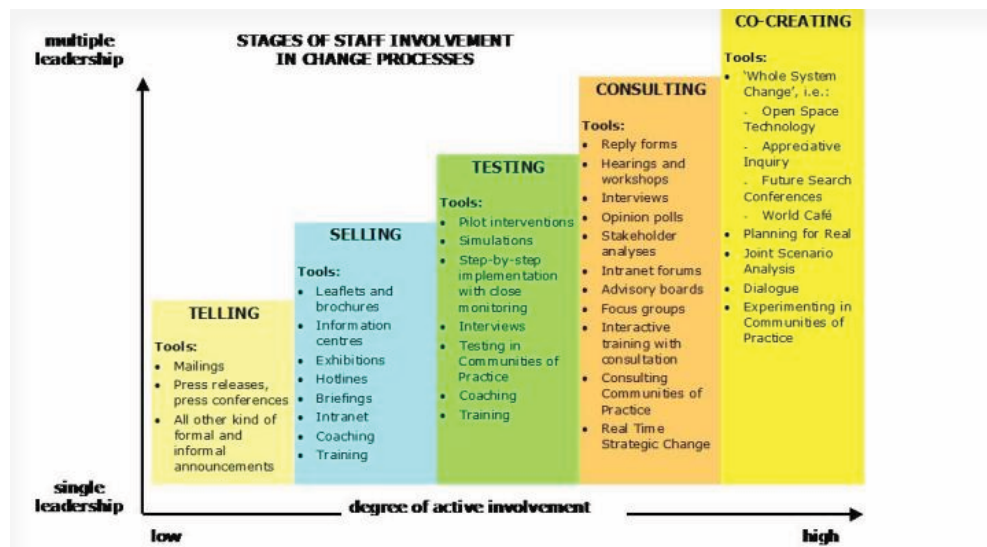
Delivering mobile strategy requires engagement across the business. We've all experienced managers who simply tell us what to do rather than including us in the decision-making process. The fortunate few have enjoyed working for more enlightened managers who share the vision, consult us and provide the resources to co-create and deliver the solution.

This change management model applies to mobile adoption: the more we share the vision and involve others, the more likely they are to engage and buy into the mobile solution.



Managing stakeholders: Tell, Sell, Test, Consult and Co-create.
Source: Peter Senge. The Fifth Discipline

You can get a better idea of the types of activities that form each of these areas in the change management process.



Techniques for managing change relevant to mobile marketing implementation

In addition to the key issues of buy-in and change management, there are more practical aspects of mobile strategy that we will discuss later in this book. These include:

- ☐ Q. *Act and Convert strategies. Have value propositions for mobile marketing been reviewed and defined?*
This includes content and promotions strategies to activate use of mobile channels.
- ☐ Q. *Has our mobile platform strategy been defined?*
This establishes the level of support for different mobile platforms and devices on a roadmap of developments.
- ☐ Q. *Has our Reach strategy been defined to maximise awareness of mobile and encourage mobile activation?*
This shows how you will use mobile-specific media, desktop digital media and traditional media to target audiences in order to raise awareness, engagement and transactions.
- ☐ Q. *Has our engagement strategy regarding customer and user communications been defined?*
Mobile CRM. Contact policy on the type and frequency of messaging.
- ☐ Q. *Have the multichannel journeys encouraged by mobile marketing been reviewed?*
The ROPO experience must be prompted and tracked through mobile.

Tactics, Action and Control

Implementing chosen mobile solutions can be further broken down by RACE. These are listed here briefly since they are covered in more depth later in this book.

Reach

- ☐ Q. *Have we reviewed the effectiveness of our SEO on mobile platforms?*
- ☐ Q. *Are we using mobile-specific AdWords campaigns?*

- ☐ Q. Are we using mobile advertising networks to drive traffic?
- ☐ Q. Have we created awareness of our mobile platforms through offline communications?

Act

- ☐ Q. Has a decision about the need for a mobile-optimised site been taken?
- ☐ Q. Has a decision about mobile app propositions been taken?
- ☐ Q. Have actions for encouraging mobile usage in physical locations been taken?
- ☐ Q. Has action been taken on the creation of mobile-specific content assets?
- ☐ Q. Have we personalised our offers to individuals in mobile channels to encourage conversion?

Convert

- ☐ Q. Can we track and segment conversion microsteps in mobile channels?
- ☐ Q. Is our mobile search and browse merchandising effective?
- ☐ Q. Has product selection through the shopping basket been optimised?
- ☐ Q. Has our mobile checkout or registration form process been optimised?
- ☐ Q. Have offline conversions referred by mobile channels been tracked and their use encouraged?

Engage

- ☐ Q. Have customer communications been used to encourage take up of mobile services?
- ☐ Q. Is our mobile CRM strategy defined and operational?
This includes a contact policy defining the type and frequency of communications, including in-app push notifications.
- ☐ Q. Do our emails work effectively on mobile devices?
- ☐ Q. Have our options for mobile couponing and use of mobile operator customer loyalty services been reviewed?
- ☐ Q. Have we reviewed the options for permission-based text messaging?

To summarise your mobile strategy we recommend you use the strategy summary table in our Digital Strategy Toolkit. Here is an example for a transactional online mobile site (not including an app).

Objectives	Substantiation (informed by situation analysis or insight, example)	Strategies to achieve goals	Key performance indicators (critical success factors)
1. Reach objectives. Deliver 2 million mobile site visitors in year.	Extrapolation of current growth in mobile segments on current site plus +25% increment from promotion in other digital channels.	<input checked="" type="checkbox"/> Start investment in Google AdWords for mobile and mobile display networks. <input checked="" type="checkbox"/> Use device detection to access mobile site. <input checked="" type="checkbox"/> Promotion in store.	Click-through rates from mobile-specific campaigns and impression share delivered by AdWords.

1 MAKING THE CASE

2 MOBILE STRATEGY

3 MOBILE EXPERIENCE

4 REACHING MOBILE USERS

5 MPAYMENTS

6 MCRM AND COUPONS

7 LBS AND SOCIAL

Objectives	Substantiation (informed by situation analysis or insight, example)	Strategies to achieve goals	Key performance indicators (critical success factors)
2. <i>Act objectives.</i> <ul style="list-style-type: none"> 4% add to basket visit conversion rate from mobile. 	This conversion rate is around two-thirds of desktop site conversion. Consistent with reporting industry examples.	<ul style="list-style-type: none"> Develop mobile site-specific search. Mobile site merchandising. 	Mobile site search % and add to basket rates. Promo click-through rates.
3. <i>Convert objectives.</i> <ul style="list-style-type: none"> Mobile AOV = £35 Mobile Visit to sale conversion = 2% 	This conversion rate is around two-thirds of desktop site conversion. Consistent with reporting industry examples.	Initial implementation of mobile checkout. This will be optimised in future years.	Microstep conversion within checkout process. Registration process for new customers.
4. <i>Engagement objectives.</i> Customer satisfaction ratings of mobile experience at 80% of online. Reviews placed and repeat customer conversion at 80% of offline rates.	It is expected with the new mobile site that satisfaction ratings and repeat purchase percentages will be slightly lower, but this is unknown. We need to check emails are still successful in generating reviews.	Combination of strategies: <ul style="list-style-type: none"> Email and mobile messaging specific to mobile site purchasers. Mobile couponing. 	% of reviews.

With regards to the objectives for conversion and engagement, it's important you keep a close eye on the conversion rates and satisfaction for different stages in the funnel. As House of Fraser Executive Director for MultiChannel, Andy Harding, said ahead of the 2014 Internet Retailing Conference: "Mobile is now the single biggest channel that our customers use and that makes it mandatory to consider mobile, and make sure that each channel can be used in a way that's contextually relevant to the customer journey."

"The most important thing is that you don't just bring everything together for the sake of it into one user experience. You need to be consistent between your channels but still leverage the value that each channel has in the customer journey."

While average order will likely be lower for mobile channels - which must be considered an area for improvement in projections – a well-executed mobile strategy should be financially beneficial to your brand. Since Selfridges created a mobile experience to match its luxury brand, the company has seen a 400% increase in mobile revenue. Moreover, growth in average order value increased from 15-20% year on year, and sales and visits increased more than 200% year over year.

THREE

Mobile design: creating compelling mobile experiences

- ❑ Q. To develop brand engagement and commercial benefits through mobile, should we invest in mobile-optimised sites, native apps, or both?

Given the form factor of mobile devices, the usage situation and User Experience challenges presented by the smaller screen, many businesses struggle to create mobile experiences which rival those on a desktop or tablet.

This section looks at the challenges presented by mobile sites and native apps, and practical tips for both. We also look at the impact of HTML5, and why responsive design looks destined to ensure superior user experiences for all mobile internet users.

Best Practice Tip 6 Review your mobile experience satisfaction scores carefully

It's important you keep a close eye on the conversion rates and satisfaction for different mobile platforms against desktop at different stages of the customer journey.

A combination of factors

Look at your website analytics and you'll spot an inexorable swing from PC to tablet and mobile access. In the mature mobile markets of Asia, Europe and the US, mobile internet browsing exceeds PC browsing. This is particularly apparent for entertainment, media, gambling and retail businesses, and for brands targeting millennials.

The dominance of mobile as the preferred access point has been established across developing markets for over a decade.

Superior handsets, improvements in 4G cellular coverage and the growth of WiFi triggers increased mobile internet usage in all markets - driving a fundamental shift in where, when and how often we're accessing the internet.

Yet in many business sectors, there remains a significant number of businesses which are yet to optimize their sites for mobile users. For the sectors which have made the transition to mobile optimization, User Experience (UX) has become a key battleground for competitive advantage.

Making the case for designing mobile-optimised sites

The mobile Internet is the heart around which the whole mobile ecosystem operates. Investment in mobile advertising and search make it easier for consumers to find you on the mobile Internet, but an effective mobile experience is critical to encourage new mobile users to interact, and to get your mobile users returning to your site.

We argue that a mobile-optimised site is the critical starting point for all brands building their mobile presence. Optimising your site for mobile is no longer a 'nice to have'. Failing to do so has the same effect as closing your high street shop doors – you're shutting out potential customers.

Strategy recommendation 8 Mobile-optimised sites are central to retaining customers and preventing mobile-savvy competitors from gaining market share

An IAB UK study found that 61 per cent of customers who visit a non-optimised mobile site will switch allegiance to a rival that provides a better mobile user experience.

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SOCIAL

When designing and building for the mobile Internet, User Experience is everything. Let's consider the two key reasons:

Reason 1. Consumer intent

Our browsing intent on mobile is different to desktop. A study by Microsoft suggests the Internet purchase funnel, from initial search to task completion, is one month on PC and one hour on mobile. Whilst this will depend on the product and service in question - high-involvement car purchase or mortgage selection versus 'impulse' clothing, confectionery or entertainment purchases - the point is that on mobile we want to find, access and buy quickly and easily. With limited screen size, navigation on the mobile web must be fast and intuitive.

Reason 2. Handset and screen size diversity

In the UK alone there are over 600 types of handsets with three core operating systems in regular daily use. Early iPhone adopters will remember not being able to view Flash files on their handsets; BlackBerry users would not be rewarded with a decent browsing experience on these devices, and those with legacy Nokias and the long, long tail of 'feature phones' will probably question what all the fuss was about as their browsing experience was severely limited by screen size and processing speeds. Today you need to cater for the vast majority of your customers using high performance handsets and not simply design and build for the lowest common denominator handsets.

In the mature mobile markets of Asia, Europe and the US, two operating systems dominate: iOS, running on Apple handsets, iPads and watches and Android, running on Samsung, Sony, Nexus, LG, HTC. Android's global dominance is delivered through a load of other handsets from Acer, ZTE, Huawei and OnePlus.

So where do you start?

Mobile-optimised site design options

There are a number of technical options for creating a mobile-optimised site. We will give examples throughout this guide, but highly recommend you look at Smashing Magazine's compilation of Mobile Design Patterns.¹⁴ We also consider how to build in personalisation to encourage repeat usage.

We will now review four common options for mobile site development:

- ✅ **Mobile site design option A.** Responsive Design (same content and domain, common styling downloaded for different devices).
- ✅ **Mobile site option B.** Adaptive Design (same content and domain, different styling set by to rules on server).
- ✅ **Mobile site option C.** HTML5 web app (independent of different app platform).
- ✅ **Mobile site option D.** Separate mobile domain (same content).

Best Practice Tip 7 The `http://m.<domain-name>.com` standard for naming mobile sites

Companies with a separate domain (Option D) have adopted this informal standard because the 'm' subdomain is shorter to type than 'mobile'.

¹⁴ [Smashing Magazine: Mobile Design Patterns.](#)

Mobile site design option A. Responsive Design

Today's multiple-device using consumers expect to find content dynamically optimised for the screen they choose to use. This presents challenges as screen resolutions and operating systems vary greatly. First introduced circa 2010, RWD is a popular method for creating mobile-optimised websites that work across smartphone, tablet and desktop. It enables a single version of the site and content. RWD has emerged as the default option for organisations to optimize their sites for mobile and tablet.

Many web front-end developers champion RWD as it removes the need for separate sites. However, this alone doesn't mean it is the best option for all companies. Larger organisations may find adaptive web design (AWD) more suited to their requirements.

What is it? Responsive Web Design & 'Mobilegeddon'

Since April 21, 2015, brands' responsiveness to mobile technology has influenced organic search rankings via Google. The mobile-specific update to Google's algorithm – dubbed 'Mobilegeddon' – penalised websites deemed "non-responsive" to mobile technology by decreasing search engine rankings on handheld devices for targeted keywords and phrases. Google has publically stated that it considers RWD the gold standard of web design.

You can see in the FT.com image below that the site is optimised to full-screen desktop, iPad and iPhone. Contrast this to what we historically experienced when browsing in the early days of smartphones: tiny text, difficult-to-select buttons, and navigation that required zooming in to select the next page.



Example: FT.com RWD

Technically speaking, RWD uses cascading styles sheets and a styling feature available from CSS3 known as media queries¹⁵ which specify how the page is laid out. Think of it as a flexible grid with fewer columns and more rows as the size of the browser viewport decreases.

¹⁵ [World wide web consortium: media queries.](http://WorldwideWebConsortium.org/media-queries/)

What is it? RWD variable page & design elements

- ✓ Layout
- ✓ Image size
- ✓ Font size and text style
- ✓ Colour
- ✓ Menus (a different mobile menu selector is used on lower resolutions)

For a more technical take on RWD we recommend this briefing from Smashing Magazine.¹⁶

Best Practice Tip 8 Mini case study: Bacardi untameable since 1862

Bacardi launched the 'Untameable since 1862' marketing campaign to move its image on from the Bacardi Breezer drinks which had come to define the brand.

Online, the new initiative needed to communicate the company's rich history through engaging content, with an emphasis on user experience no matter what device a person was using to access the Bacardi heritage website. Fast page load time was a key objective.

The website played a pivotal role to the Untameable campaign, launching prior to wider marketing activity. It was localised to 35 countries, in addition to Bacardi's 'global' territories.

To ensure a consistent cross-device user experience, MMT Digital implemented a content-centric RWD site applying techniques such as image compression and CSS sprite generation. Meanwhile, every piece of text was editable, not hard coded.

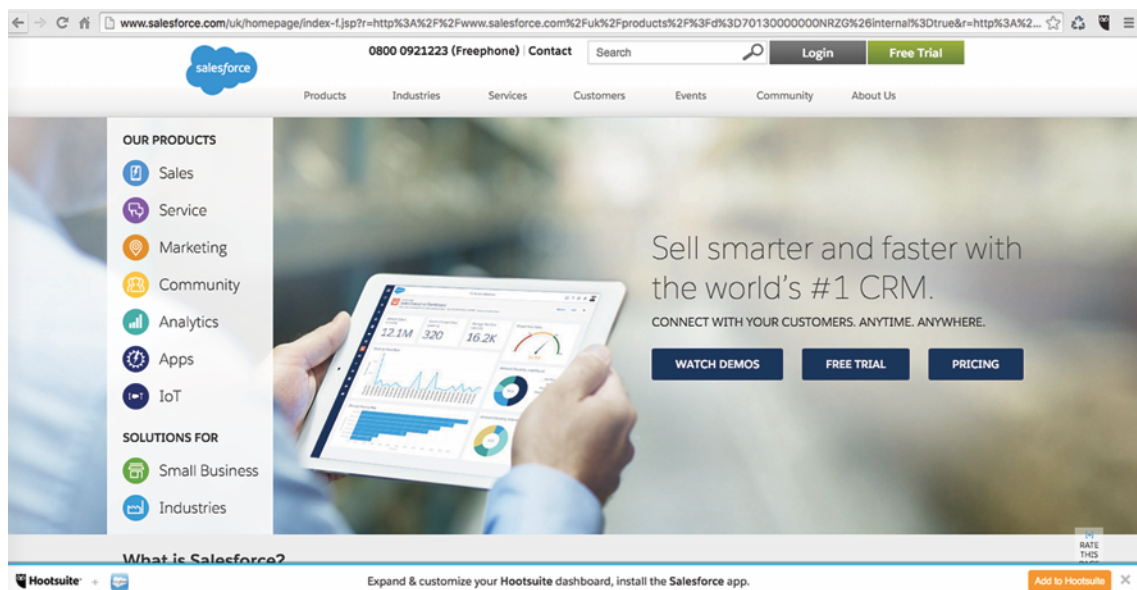
Within a week of the site launching in the US, user numbers doubled and page views increased by 40%.



Bacardi Untameable since 1862 responsive heritage website, designed by MMT Digital

¹⁶ [Smashing Magazine: introduction to responsive design.](#)

RWD is also utilised for B2B brands, including Salesforce.com's landing page, pictured below. Here you can see the images and buttons centralise in the smaller viewpoint.



While Google's high-profile support for RWD will boost its adoption by brands, it's not without its limitations. Critics claim it forces designers to compromise in order to deliver user designs which render across all devices, rather than design sites which maximise the functionality of different operating systems.

The ongoing trade-off remains the same: any website should be as responsive as possible without sacrificing user experience for desktop, tablet and mobile screens. Remember: user experience must be based on the browsers' intent and context.

Best Practice Tip 9 Addressing the limitations of responsive design

- ✓ RWD can add to download times due to the styling needed for different devices - the last thing you want on a mobile device.
- ✓ The desktop experience may be compromised through design decisions taken to accommodate lower resolution smartphones. This can potentially harm conversion.
- ✓ Through RWD, it isn't possible to tailor the experience to context of use. For this brands must adopt Adaptive Web Design (AWD).

Overall, however, we argue that RWD is positive, and encourages design of simpler experiences with clearer calls-to-action.

Mobile site design option B. Adaptive Designs

AWD can overcome the limitations of RWD by defining rules that minimise the need for styling and refine device-specific design. Responsive design and adaptive design are sometimes used interchangeably by those not "in-the-know", but there are significant differences.

What is it? Adaptive Web Design

A design approach where different layouts are applied to a site depending on the device and/or resolution. This can be achieved through rules implemented on the client device or on the server.

Technically-speaking, adaptive design can be accomplished in two ways:

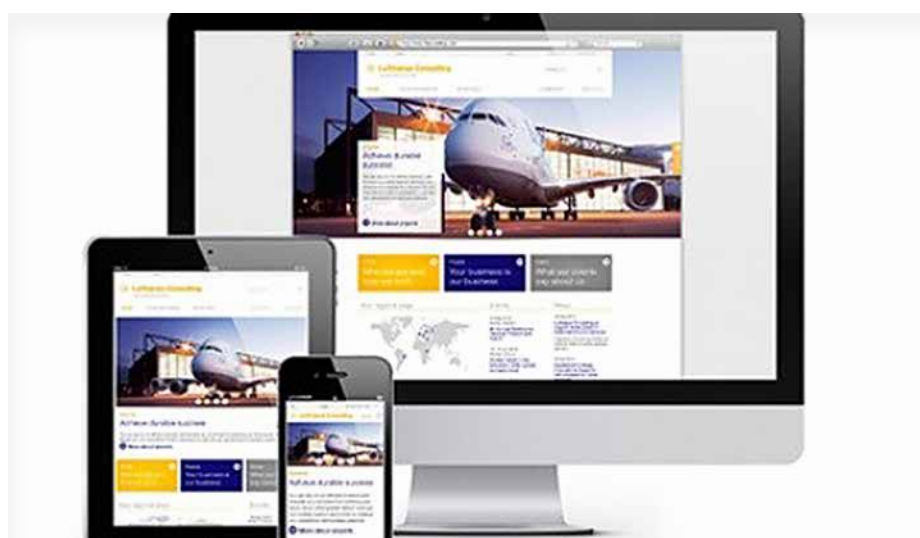
- ✓ **Server-based** - code on the server decides which design to deliver. This has the advantage that code doesn't have to be downloaded. It is also more straightforward to change functionality as with the Lufthansa example, below.
- ✓ **Client-based** - Javascript code running in the browser determines the design used. This may be technically easier to accomplish, but more code has to be downloaded resulting in slower load times.

AWD uses a series of static layouts based on 'breakpoints'. For example, a page may be designed with three different sizes: 320 for mobile phones, 760 pixels for tablets, and 960 for desktop browsers. Unlike responsive (where the design responds continuously while you adjust a browser window), adaptive files don't respond once they are loaded. Instead they detect the device size and call up the relevant sized layout to view.

Using an AWD approach, the client or server can choose the layout to render pages. An important distinction from responsive is that it can also *enhance or remove functionality* based on the capabilities detected. So potentially *a differentiated experience can be built for the specific intent of the mobile customer*.

If your customers are accessing your site on their smartphones whilst out shopping, their intent will be seeking store locations, product ranges, price comparison and offers. When browsing at home on their PCs, laptops and tablets, they are more likely to seek more detailed product information, ratings and reviews. We believe the primary goal of the site must be to deliver content optimised for the context and intent of their browsing experience. User experience based on context should lead the design and build process.

A good example of this is the Lufthansa site which uses an adaptive approach where a different layout and functionality is provided. You can see that the mobile version gives prominence to flight status on the smartphone version.



Lufthansa AWD by denkwerk.com

To understand the difference between responsive and adaptive design see the demonstration site [Liquidaptive](#) by Nick Davison. You can select between the four main layout types: static, liquid, adaptive or responsive.

Best Practice Tip 10 AWD vs RWD

There are significant differences between mobile responsive and mobile adaptive approaches. Which is best will depend on the type of experience you want to provide, your budget and available design time.

We have summarised the advantages and disadvantages in the table below.

The web design option a brand selects can make a big difference to the following factors:

- ✔ **User experience** - Different functionality is available with adaptive design. Responsive design scales continuously without breakpoints, therefore supporting a wider-range of resolutions.
- ✔ **Speed of site download** - Download speed can be slower with RWD because code needs to support all resolutions.
- ✔ **Project cost and implementation time** - Responsive designs tend to be simpler and cheaper to implement, they are often available as themes based on frameworks such as [Bootstrap](#) - originally created by a designer at Twitter and the approach we use on Smart Insights - and low-cost themes are available from [WrapBootStrap](#). Meanwhile, some agencies may deploy a simple adaptive design targeting three resolutions of smartphone, tablet and desktop. The complexity of implementing adaptive depends on the level of device detection used and specific functionality for different use-cases.
- ✔ **Ease of maintenance** - Generally-speaking the single code-base used in responsive design is easier to maintain. Note that the version of Bootstrap does change, so code needs to be upgraded in line with that.

Mobile site design option C. HTML5

The major game changer for brands creating a mobile web presence is HTML5, the browser technology which comes pre-installed on every smartphone. Leading companies in the sectors which have led the way in adopting mobile – namely retail, packaged goods, travel, financial services, publishing – have turned to HTML5 ‘web apps’ in order to build once and target all mobile platforms in a single hit. This is more cost-effective and less labour-intensive than building different native apps for iOS, Android or Windows . See the Native apps section below.

HTML5 browsers provide clear benefits for brands and users alike, including better provision of rich media – which could not be supported by legacy Wireless Application Protocol (‘WAP’) technology - the ability to access and use data submitted in previous browsing sessions, and accessibility regardless of signal strength.

HTML5 supporters include the IAB Mobile Marketing Center for Excellence. In an open letter to publishers and advertisers, the independent unit called upon industry insiders to embrace the mark-up language as its primary authoring technology for digital advertising, to enable better mobile advertising today and cross-platform advertising in the near future.

The IAB’s open letter reads: “To guarantee the ads you pay for actually appear and look great on all screens, you should insist to your ad agencies that your advertising creative be developed in a mobile-compatible format. And the one open, industry-standard, universal format for building mobile-ready creative is HTML5.”

From a commercial perspective, HTML5 allows developers and publishers to circumnavigate the 30 per cent commission charged by Apple and Google on app download costs and a further 30 per cent on products and subscriptions sold 'in-app'.

From a technical perspective, HTML5 apps have some problems that native apps do not. For starters, they can be slower. The switch from native to HTML5 apps hasn't happened overnight as initially predicted, but its potential to transform mobile Internet browsing is immense.

HTML5 case study – FT.com

The success of the FT.com HTML5 web app shows that developing mobile platform-specific apps isn't the only option. In future, the dependence on app stores for each mobile native OS may seem quaint.

The figures on digital publishing released by FT.com after the HTML5 app was launched show the importance of mobile:

- ✓ FT's total circulation grew 10% year-on-year in 2014, to nearly 720,000 across print and online
- ✓ FT.com subscriptions grew 21% to almost 504,000
- ✓ Digital now represents 70% of FT's total paying audience
- ✓ Mobile is FT's fastest growing channel, driving almost half of total traffic

Financial Times Group CEO John Ridding said: "Behind the strong commercial performance, we enhanced our product offering with reader-focused innovations such as the new FT Weekend APP, First FT, and author alerts. Importantly our audience is not just growing – people are spending more time with the FT and consuming more content. Overall engagement is up by double digits year on year".



FT.com

The FT's case for web apps

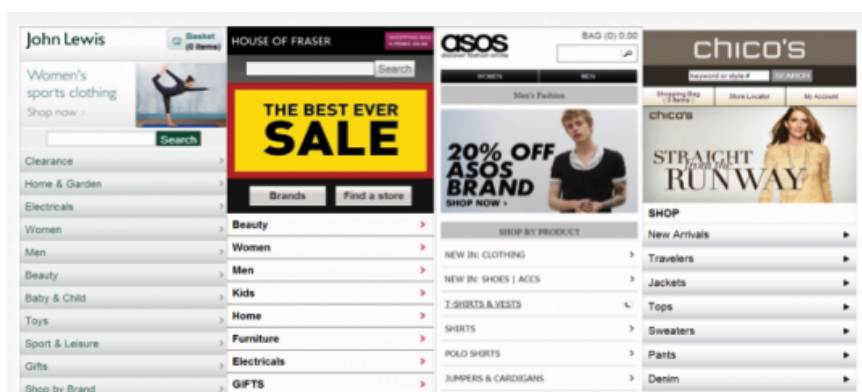
The FT does a great job in explaining the benefits of non-OS apps:

- ✓ Discover by URL and link directly into the app via search, adverts or social. Native apps only link to an install page

- ✓ Build a direct relationship with the user
- ✓ Web apps' associated cost of processing payments is much lower than app store operator's revenue share
- ✓ Search, sharing, and bookmarking is better on the web
- ✓ Web apps are not subject to app stores' approval processes, giving greater flexibility to release instantly and perform A/B testing
- ✓ Not being reliant on an app store also removes the possibility that any regulation changes will have a negative business impact
- ✓ Because a single web app supports multiple operating systems, the cost of development and testing can be significantly reduced

Mobile site design option D. Separate mobile domain (screen scrape)

Although not an option we recommend, it's worth noting that a number of high-profile brands previously opted for a temporary 'screen-scrape' approach, which involves dropping existing web content into a basic mobile site template without back-end integration. The advantage of the screen-scrape approach is that it presents a quick route to market.



Example 'Screen-scraped sites' (many have now been updated to give a more personalised experience)

There are widespread disadvantages of screen scraping when compared to the fully-integrated approach, which provides the better long-term solution. The screen-scrape option incurs additional time and cost to manage the site, as changes to the back end content management system (CMS) need to be updated manually on the mobile site.

A quick look at screen-scrape sites reveals an alarming degree of standardisation. They lack the differentiation brands demand across their desktop websites.

Key issues to consider when creating mobile site experiences

There are six key issues developers should consider to help create a more effective mobile site experience.

1. Identifying whether the user is using a desktop, tablet or mobile device

- Q. Are mobile site redirects in place?

This is straightforward and no capable agency would create a mobile site without this. It's as well to be aware how they work.

No capable agency would create a mobile site without setting up device identification. For an example of mobile redirection, take a look at www.autoglass.co.uk which uses a wide range of mobile within its detection scripts. Ticketsnow.com is another case of simple auto detection script in action.

Best Practice Tip 11 Detect mobile traffic and auto re-direct to a mobile URL

The first task is to identify whether the browser hitting your site is using a desktop or a mobile device. Adding a script on your site will detect desktop browsers, who should be served the 'full fat' version of the site, and the mobile browsers, who will be redirected to a mobile-optimised version of the site. There is no need at this stage to use a separate URL.

2. Define supported handset and handset capabilities

❑ Q. Have supported handsets been defined?

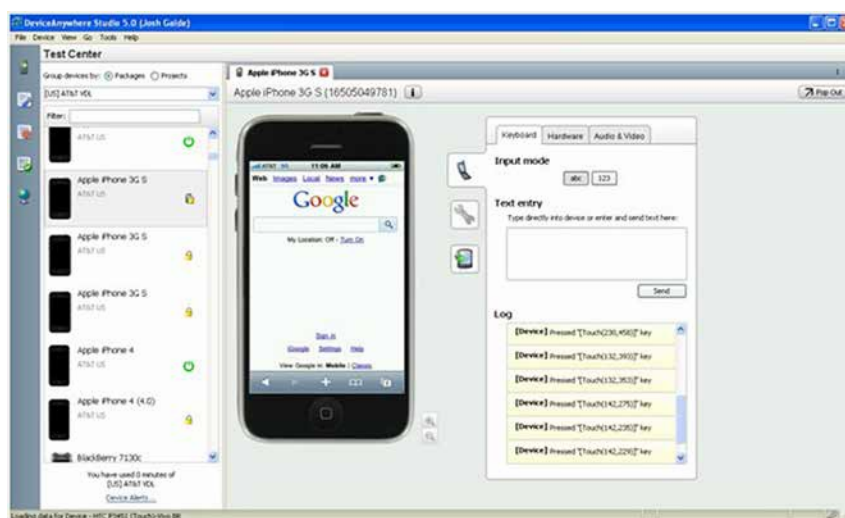
Closely related to the first issue, you will need to decide which handsets your mobile site will be compatible with.

Best Practice Tip 12 Define target handsets

With the wide range of mobile devices, mobile operating systems and browsers, it won't be possible to select all. Instead, you will have to set the balance to improve experience on some devices against the number of users.

To deliver an engaging user experience it's essential to identify the handset from the first browsing session on your server. This can be done instantly by matching the handset's profile against a live, constantly updated database of mobile devices. Device Atlas is one of several open source databases that contain handset profiles.

Perhaps you have 95 per cent coverage of key devices and need to expand further? Keynote Mobile Testing tools, formerly DeviceAnywhere, can help to review your handset database.



Keynote Mobile Testing



3. Define how content will be repurposed for mobile

☐ Q. Have we specified how content will be repurposed for mobile handsets?

While you can present the same information to mobile users as desktop users, you must display it according to the device's capabilities and suppress any content that won't render properly. This can either be done dynamically or separate content for each device will need to be defined. Giving customers on low end handsets and poor cellular signal strength high performance assets to render is bound to provide a poor user experience. This scenario should be avoided by setting a rule to remove the option to view rich media content for these mobile users.

Aim to build and maintain one CMS that populates both the desktop and mobile version of the site. To deliver consistent content, whether a catalogue, journey planner or rich media library, it makes sense to integrate the data held in the existing CMS back end with the desktop site and mobile site front ends.

Best Practice Tip 13 Repurpose content dynamically

To deliver a good user experience, play to the handset's display capabilities and suppress content which won't render properly.

4. Design and build

☐ Q. Does the mobile design follow best practice?

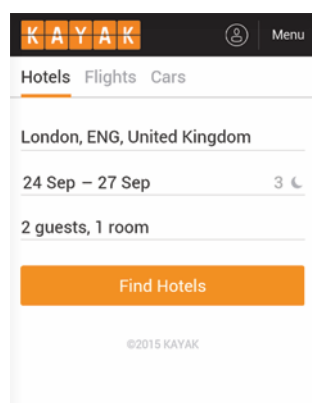
This is probably the most demanding issue, and the one which distinguishes the average, vanilla-looking, templated sites from the high-end sites with complete customisation. The latter offer a richer and more compelling browsing experience for users.

Content must be quick to load and easy to find, as mobile browsers have limited time and immediate 'intent'. Navigation is critical. Content should be accessible within three clicks and mobile sites should be built on vertical 'tracks' or scroll horizontally.

You need to carefully consider best practices for mobile usability which share much in common with desktop usability. Remember that usability is based on:

- ☒ Time to complete a defined task.
- ☒ User satisfaction with completing a task.

For a home page this means simplicity is key, as demonstrated by the Kayak mobile website below.



Kayak mobile home page

Strategy recommendation 9 Ensure the mobile site EASILY supports top user tasks

The main user tasks that should be supported on mobile are similar to a desktop site, but simplified.

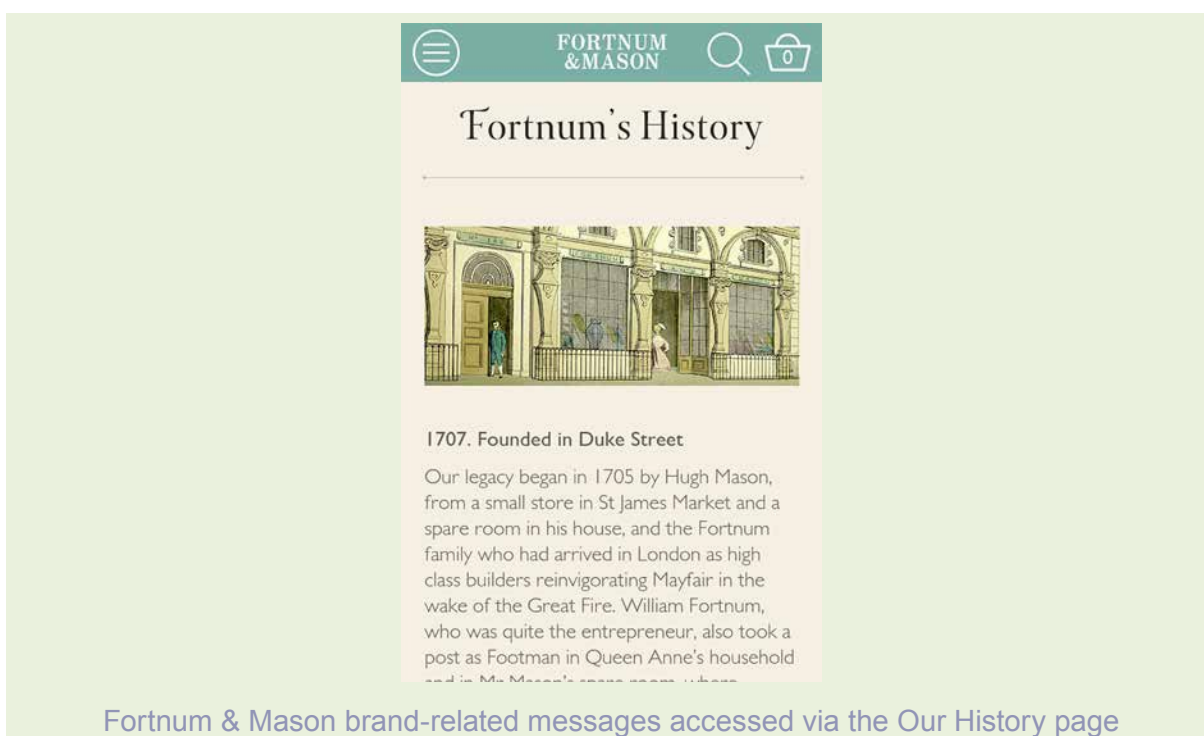
On a mobile home page these typically include:

- ✓ 1. **Browse.** Decide on the categories to display. Retailers with many categories may use a grid layout, with side-loading navigation menus, rather than simple up/down navigation.
- ✓ 2. **Search.** Determine whether browse or search is most popular for your brand. For a ticketing site, search is usually most important, while for retail it's browsing.
- ✓ 3. **Branding messages.** These can explain the brand heritage (like Fortnum & Mason below), why it can be trusted, and how it works.
- ✓ 4. **Merchandising.** Promotions and recommendations about products.
- ✓ 5. **Support.** Usually below the fold, but customer service is always important.

Some may also consider social sharing essential, but this makes more sense in the context of content to share.



Fortnum and Mason mobile site



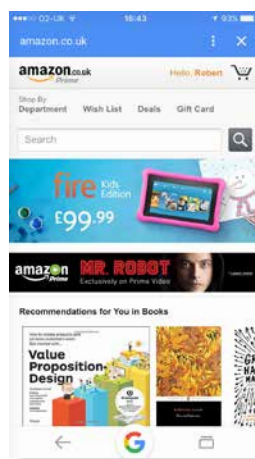
Fortnum & Mason brand-related messages accessed via the Our History page

5. Consider personalisation options

☐ Q. Have mobile personalisation options been assessed?

Mobile sites featuring personalisation are still relatively unusual. This is surprising if you consider that a phone has just one user. Ask a group of strangers to pass their phones round the room and you'll detect anxiety. We don't share our phones, with anyone. We don't want others seeing the texts we send and receive, the photos we've taken, our social media pages, the sites we've browsed or the apps we've downloaded.

This means that we can develop highly personalised and customised sites. Back-end integration, with application programming interfaces (APIs) exposing individual customer records, can be used to build bespoke sites that match the profile of each user. Look no further than Amazon to see how brands can use purchase history data and apply intelligence to develop sites with highly-targeted product offers.



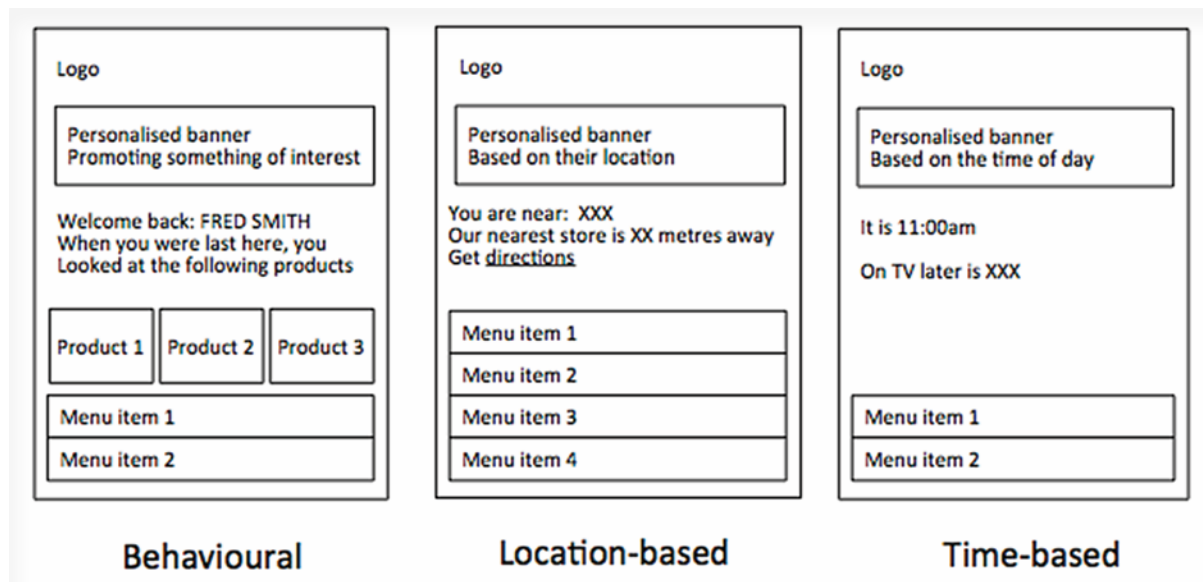
Amazon home page personalised recommendations

To make your site(s) highly relevant to users, you can apply behavioural targeting, with time and location sensitive messaging.

Best Practice Tip 14 Use personalisation to increase relevance of mobile sites

Personalise your mobile site to serve content matching users' customer profiles with product, time- and location-based updates.

This is the way mobile website designs might look if they were more personalised:



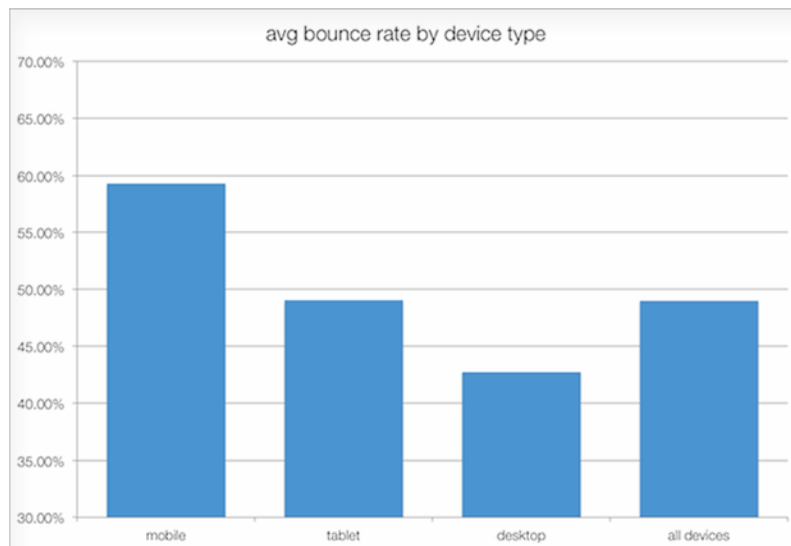
Wireframes of personalised site alternatives

6. Measurement and conversion rate optimisation (CRO)

Q. Are measurement and CRO in place?

Mobile provides a time- and location-rich data trail – in real time – for you to track interactions and fine-tune to maximise conversion.

Mobile web analytics allow us to track the origin of browsers, their handset profiles, and their browsing patterns, broken down to unique users, repeat users, page views, dwell time per page and per session. We can also review bounce rates, which average 60 per cent for mobile sites, according to GoRocketFuel.com.



Average bounce rates, GoRocketFuel.com

As with desktop sites, we need to define our conversion points and KPIs for each step. Measuring interactions is important, but the real value comes in applying that data to nudge users down the purchase funnel. To boost sales on mobile, we should examine drop-off between those putting goods in their virtual carts and those completing the transaction.

When building mobile commerce sites, keep the user experience as simple and as 'frictionless' as possible to reduce drop-offs. Having analysed drop-off statistics, you can target those who came close to making the purchase by re-targeting with SMS reminders, mobile surveys, timely banner ads and offers encouraging them to return to your site.

To boost offline sales conversion, share with your retail store, car dealer or equivalent the browsing profile of the potential and returning customer. Consider how much more likely it is that the car dealer will close the deal with the prospect if he/she knows in advance about the prospect's browsing behaviour. He/she can open the conversation on aspects of performance, security or energy efficiency - whichever topics matter most to the prospect.

Best Practice Tip 15 Plan ahead for mobile CRO

Make sure the solution you choose for building your mobile site enables you to accurately track and report on drop-off, which in turn will allow you to optimise your conversion rate.

You may think you know what your customers will find most interesting and engaging on your site. Reviewing your web traffic will confirm or refute this. If you see significant page views for some sections of your site, you should allocate resource and space to them. If you see other sections being ignored, despite your best efforts at optimisation, either demote them to 'below the fold' or omit from the site altogether.

Recommended resource? Improving your site with Google Analytics

The [Seven Step Guide to Google Analytics](#) helps you to improve your online offering through analysing data from both your mobile and desktop site. Key questions to ask include:

- ✓ 1. *What are the main referring traffic sources?*
- ✓ 2. *What are the main entry points? (Home page will be higher for a mobile site typically.)*
- ✓ 3. *What are the common customer journeys from the entry points? (Search vs browse behaviour will be different for mobile.)*
- ✓ 4. *Which customer paths and content help generate the most value?*
- ✓ 5. *What are the comparative conversion point drop-offs?*

1 MAKING
THE CASE

2 MOBILE
STRATEGY

3 MOBILE
EXPERIENCE

4 REACHING MOBILE
USERS

5 IMPAYMENTS

6 MCRM AND
COUPONS

7 LBS AND
SOCIAL

Specialist mobile analytics tools

Google Analytics will provide similar information about site performance for a mobile site as for a desktop site. Some mobile site owners look for more detailed insight from specialist suppliers. Examples of popular specialist mobile analytics services include:

- ✓ **Flurry Analytics from Yahoo!** (www.flurry.com). This free service is used by over 170,000 developers to measure audience reach, engagement, retention, conversions and revenue for apps. Flurry Analytics tracks 5.5 billion app sessions each day and is present in seven apps per device, on average.
- ✓ **Localytics Analytics** (www.localytics.com). One of the main features is unique visitor identification that can be used to understand repeat usage across devices and operators.
- ✓ **Mixpanel** (www.mixpanel.com). A real-time analytics service popular with publishers that provides mobile analytics including apps through segments.

Qualitative assessments of the site experience

You can only get so much insight from the hard numbers available in a web analytics system; feedback from users will help explain why you may have problems with customer journeys highlighted by the data.

Visitor intent surveys, activated when a user attempts to exit a site, are particularly important for mobile. A visitor intent survey asks the user why they visited the site and whether it was effective for them. We think they're essential since your web analytics will only tell you so much – what visitors DO, not what they FEEL. See this article for the full range of tools available.¹⁷

Mobile design errors to avoid

Experience with Conversion Rate Optimisation (CRO) teaches us that there are some common problems to avoid with mobile site design and mobile experience in general. Watch out for these 'gotchas'!

Mobile customer journey problems to avoid

- ✗ Forcing a user to use an app rather than a website. Choice is best.
- ✗ Over-zealous app ads that get in the way of the experience. [iOS Apple Smart Banners](#) work well.

¹⁷ [Smart Insights: Online qualitative feedback tools.](#)

- ❌ Mobile redirects that load a 'dead-end' or '404' page, or a page that's different to that featured in the search results.
- ❌ Not providing a link back to the relevant URL on the mobile/desktop site.
- ❌ Using a mobile action code such as QR code that then loads a non-mobile site.
- ❌ Slow-to-load mobile sites due to the technical approach used.
- ❌ Videos that don't play on smartphones

Five top tips for producing great mobile sites

As a summary of mobile site optimisation, review the five following common challenges brands face when building a mobile web presence. Which do you have covered?

Challenge	Issue	Solution
One site or two?	Should you transcode ('screen-scrape') your main website into a standard mobile template to create a separate site or optimise your existing site for mobile?	Create one site, hosted on one URL, fed by one CMS rather than building a separate site, which requires duplicate content updates.
Right content	Agree on a clearly defined content plan (news and info, entertainment, mobile commerce).	Offer content which mobile users want to access on their handsets: maps, info, shopping, social networking and coupons are most popular mobile Internet activities.
UX	Smaller screen size and lack of keyboard make easy, simple navigation critical.	Use simple navigation; vertical tracks or horizontal scrolling. Icons are easier to access than text links, and appear more 'app-like'.
Personalisation	Personalised content maximises page views, extends dwell time, and attracts repeat visits.	Build in behavioural-, location- and time-based components. See RWD section.
Promotion	Mobile users want to find you quickly and easily on the mobile Internet.	Use all media channels to drive traffic. Use trackable links to evaluate channel efficiency.

The case for designing native apps

The logic for investing in mobile apps is compelling, but there are significant costs. With advances in browser-based mobile design, the native app must work harder than ever to justify the investment, and to remain on your customer's handset once downloaded.

Strategy recommendation 10 Don't feel obliged to build an app because everyone else is

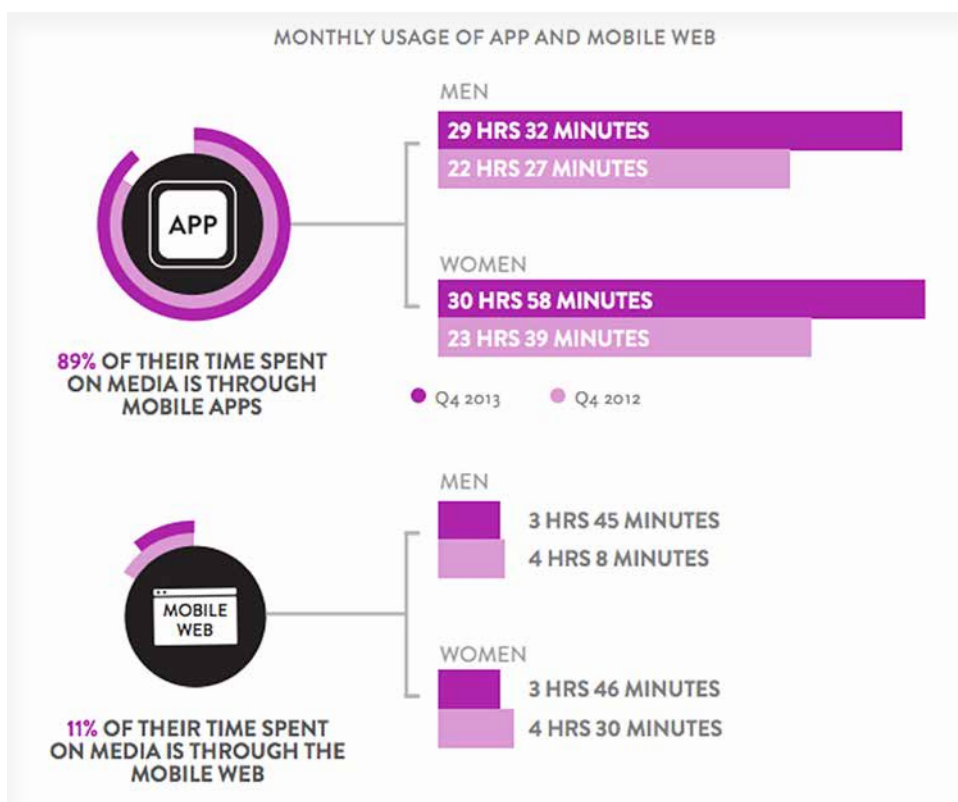
Before you develop an app, be clear about the consumer and business benefit. If you're a major brand with access to compelling content or a service that lends itself well to mobile, an app will be worthwhile; you are more likely to realise greater returns from a faster native experience and clearer navigation.

For the CUSTOMER, the benefits of native apps for smartphones and tablets include:

- ✅ **Personalisation.** When I download an app, it becomes 'mine', creating an easy, convenient, instant one-to-one shortcut to the chosen brand.
- ✅ **Payment channel.** iTunes or alternatives provide a convenient, secure and trusted channel for mobile users to pay for app downloads, in-app purchases, music, games

and other entertainment. Apple has over 100 million payment details linked to customers' iTunes accounts.

- ✓ **Preference.** The majority of mobile time by users is spent using apps rather than mobile. According to Nielsen data, mobile apps account for 89% of consumer media time on mobile, driven by social networking, email and news apps¹⁸



Nielsen data: time spent on media via mobile app VS mobile web

Let's rewind the clock to 2007 when Apple made its debut in mobile with the iPhone launch. Remember how different the mobile landscape looked? Clunky handsets, costly data and poor browsing technology rendered the mobile Internet a non-viable option for brands seeking to build a robust mobile presence. This created a vacuum for apps to gain traction and multiply, rapidly.

Apps have enjoyed a meteoric rise to prominence in their short lifetime. Having first appeared on the screens of iPhones back in July 2008, by June 2014 Apple reported 75 billion app downloads, with users visiting the App Store 300 million times per week. Meanwhile, major app store competitor, Google Play, reported 80 billion app downloads by June 2014.

Apps have made a healthy contribution to Apple's revenues, as well as developers', thanks to paid app downloads, in-app charges, and iAd, the company's in-app advertising business. In January 2015 the tech giant reported that developers alone had earned a cumulative \$25 billion in revenue from the sale of apps and games via the App Store.

¹⁸ [Smart Insights: Mobile Marketing Statistics](#)

What is it? Mobile apps

Designed to run on smartphones and tablet computers, apps provide users with rich mobile content through the handset's multiple native capabilities. Apps are available for download from app stores hosted by the mobile operating systems (e.g. iTunes for iOS, Google Play for Android, Microsoft App Store, BlackBerry App World).

Specific benefits of apps

For the MARKETER, the logic for investing in apps is compelling.

- ✓ **1. Personalisation.** Mobile is the ultimate personalised marketing channel: we don't share our handsets, and are rarely without our phones. The app creates a shortcut to the chosen brand through a bookmarked icon on my handset or tablet which can be accessed 24/7, in all locations, with or without WiFi access or cellular signal.
- ✓ **2. Payment channel.** Through iTunes, Apple established a convenient, secure and trusted channel for music lovers to download and pay for music. iTunes users set up their accounts online, add credit card details just once, and agree terms and conditions authorising Apple to charge them via their mobile bills for multiple purchases, typically at low transactions costs (79p–£3.00). iTunes then added books, other goodies and apps, to be paid for using the same channel. This payment model has since been replicated by Android and Microsoft.
- ✓ **3. Adoption levels and preferences.** The statistics indicate that users prefer apps when given the choice. Data from Flurry shows that daily time spent with apps vs sites in the US stands at 139 mins vs 22 mins.¹⁹

As you hear so often, 'there's an app for that'. At last count there were 1.6 million in Google Play and 1.5 million in iTunes²⁰, ranging from the single purpose Flashlight app, which helps you decipher that bill in the dark corner of the restaurant, to the weather app, which tells you in an instant whether the weather will be kind on your next holiday. Add to these special interest apps like Brushes, which allowed David Hockney to display the genius of his acclaimed Fresh Flowers exhibition through iPad- and iPhone-generated drawings, and the ubiquitous Facebook app, with new features released every 2 weeks to provide all the features you need to keep up with friends and post musings, photos and videos.

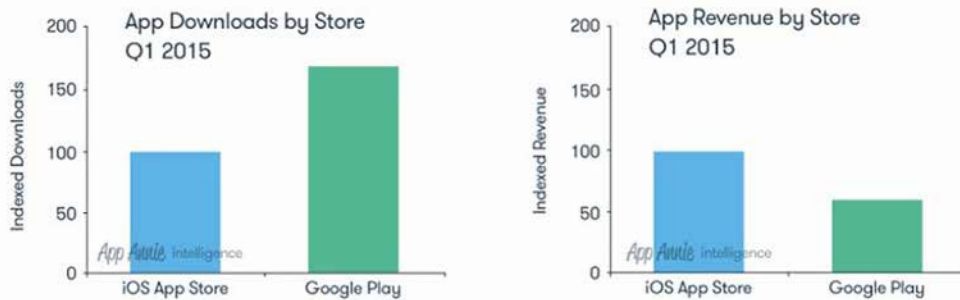
While Microsoft and BlackBerry have established their own app stores, Apple's real challenger remains Google. Google Play has realised scale, and continues to grow faster than Apple's App Store. But despite Google Play's downloads dominance, according to analytics firm App Annie, iOS App Store worldwide revenue was about 70% higher than Google Play as of Q1, 2015, up from 60% in Q3, 2014.²¹

¹⁹ [Flurry Analytics: Apps Solidify Leadership Six Years into the Mobile Revolution](#)

²⁰ [Statista: Number of Apps Available in Leading App Stores](#)

²¹ [App Annie Index: Market Q1 2015](#)

Google Play and iOS Follow Different Paths



Apple App Store vs Google Play revenue share. Source: App Annie

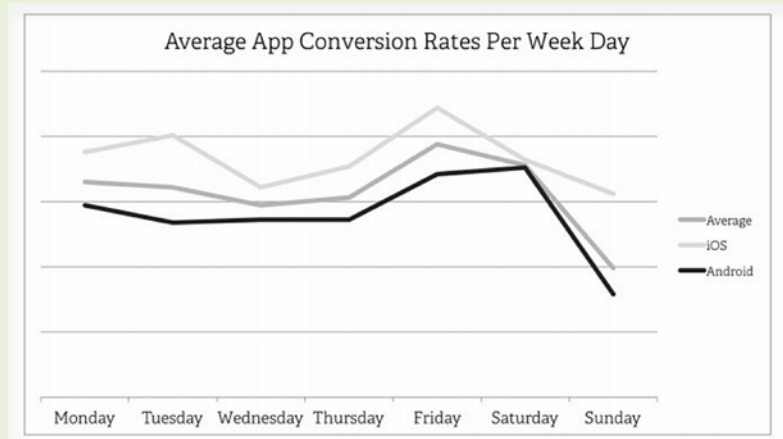
We argued in the first edition of this guide that iOS users tend to offer a higher spending demographic for most brands than Android users. It may be an oversimplification, but Android demographics still reflect a double-ended audience comprising: 1) knowledgeable digital consumers who object to Apple's approach to handset domination; and 2) people who can't afford an iPhone. Today, if you measure revenue per device there is still a tendency to find higher-value users on iOS since they are premium devices.

What is it? Case study: Mobile retail apps

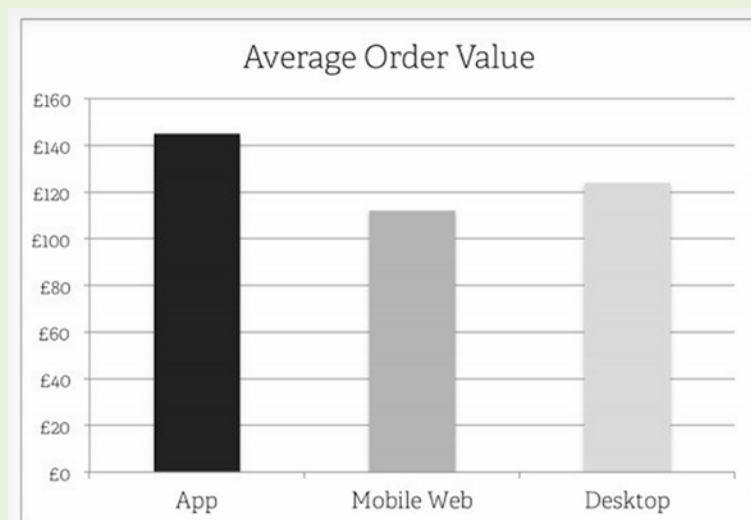
App commerce platform Poq - whose clients include some of the UK's best known retailers - crunched data to gain insight into app-based shopping behaviour.

Analysing over 200,000 app sessions across more than 47,000 users, Poq established:

- ✓ Sundays see the most traffic across both iOS and Android apps on the Poq platform, but the lowest conversions. Shoppers are more likely to use the 'add to wishlist' function on a Sunday.
- ✓ To convert Sunday's window shoppers, Poq recommends time-limited promotions visible for a few hours only.
- ✓ Monday presents a huge opportunity to retarget Sunday's app users with geo fenced or beacon-based push notifications, driving sales to brick-and-mortar store locations.
- ✓ iOS users convert best on Fridays, while Android users convert on Saturdays. On their respective top-performing days, both platforms convert at 1.2 times higher than average.



- ✓ Most app transactions occur after 7pm.
- ✓ Customers who make a purchase in-app spend 22.09 minutes shopping compared to those just browsing, who do so for an average of 4.40 minutes.
- ✓ According to Poq data, the average order value of purchases made via retail app is 1.2 times higher than any other channel.



Before investing in an app for your brand, it's essential you consider the decline in usage post-download²². In 2014 a fifth of apps were used once only - a 2% improvement on the previous year. During the same period, the number of apps used 11 times or more increased from 34% to 39%.

Key issues in mobile app development

So, what are the key issues to consider when developing an app for marketing purposes? Here are seven tips to keep you on the right path.

²² [Localytics: App usage declines](#)

1. Be honest about whether you need an app

Push back on the boss who demands a 'me too' app regardless of function or target audience.

Best Practice Tip 16 Think carefully about the need for your app

Start by questioning the goals of the app. For most organisations, these include increased awareness and sales, revenue from advertising or subscriptions. Incremental benefits should be significant.

For many companies, developing a branded app won't be a priority because of higher-profile issues such as improving on-site user experience or building social network presence.

If you are building an app, ensure you have a compelling idea that fits your brand proposition. Otherwise, your app is unlikely to deliver remarkable results.

Strategy recommendation 11 Be clear which strategic challenge your app addresses

Customer acquisition, customer loyalty, transaction, or all three? It's highly unlikely prospective customers will download your app speculatively, unless it has been recommended and promises excellent service, news or entertainment. For customer acquisition, focus your efforts on your mobile site and extend the experience to apps to build long-term loyalty. Mobile commerce can and should be explored on both the site and the app, but be aware that the app stores will be monetising transaction costs.

With apps, as with other areas of mobile, it's vital to ask the important questions before jumping on the band wagon. If you have a large consumer audience, providing customer choice and visibility on a handset through an app may be sufficient argument. Witness many retailers who have developed apps.

2. Assess the consumer benefit

☐ Q. *Has the consumer benefit relative to the mobile-optimised site been reviewed?*

Ask yourself the toughest question of all: would YOU bother to download and use your app, and would you recommend it to your friends?

Best Practice Tip 17 Make sure there's a compelling consumer benefit and communicate it clearly

To be deemed a success, apps need to achieve significant download numbers and high frequency of use.

The essence of apps is that they should make our lives easier or more fun. If you're struggling to tick one or more of the following boxes, your app is unlikely to achieve download volumes or frequency of use.

Checklist – scoring your consumer benefits

- ☐ **Deliverable.** Consumer benefit relative to other platforms. Score: _____?
- ☐ **Utility.** E.g. access bank details, get insurance quote. Score: _____?
- ☐ **Entertainment.** E.g. games, music or film downloads. Score: _____?
- ☐ **Information.** E.g. football scores, weather updates. Score: _____?

Smart Insights expert commentator Imran Farooq shared his experience of developing an app for marketers in this post.²³ He recommends you ask the following questions when brainstorming with your team:

- ✓ *Does your app idea solve a unique problem?*
- ✓ *Does your app serve a specific niche?*
- ✓ *What value will your app bring to your audience?*
- ✓ *Will it make people laugh?*
- ✓ *Are you building a better app than one that exists already in the app store?*
- ✓ *Will it be highly interactive?*
- ✓ *How will your app present information to your audience?*

We won't cite examples of apps which fail on every count, delivering predictably dismal downloads – the reviews section of the app stores reveal the winners from the 'also rans'.

3. Review app revenue model

☐ Q. What is the revenue model for the app?

The choices are: free; free but with online purchases; paid; ad funded; and sponsored. For most brands, the goal of making money from an app is not realistic. According to Flurry, 95 per cent of app users have no intention of paying for app downloads or interactions. Instead, companies build an app to make doing business with their brand easier – e.g. the Ocado iPhone app is more convenient than their mobile website, so conversion can be higher.

Maybe you're not working for a brand, or you're exploring new revenue models. If this is the case, and you're looking at ways to monetise your app development cost, you have three options:

Option 1: Download fee

Charge customers to download the app, and set a pricepoint you believe they will bear based on competing apps. But remember that charging for apps creates an immediate barrier where you're up against competing freebies, and that the app store keeps a healthy portion of the download cost (Apple and Android take 30 per cent, Microsoft takes 20 per cent). On the flip side, paid-for apps tend to stay on the handset longer than free ones, which are the first to be deleted when smartphone users purge to free up memory space.

Brands offering entertainment will likely opt for the free route to increase customer engagement.

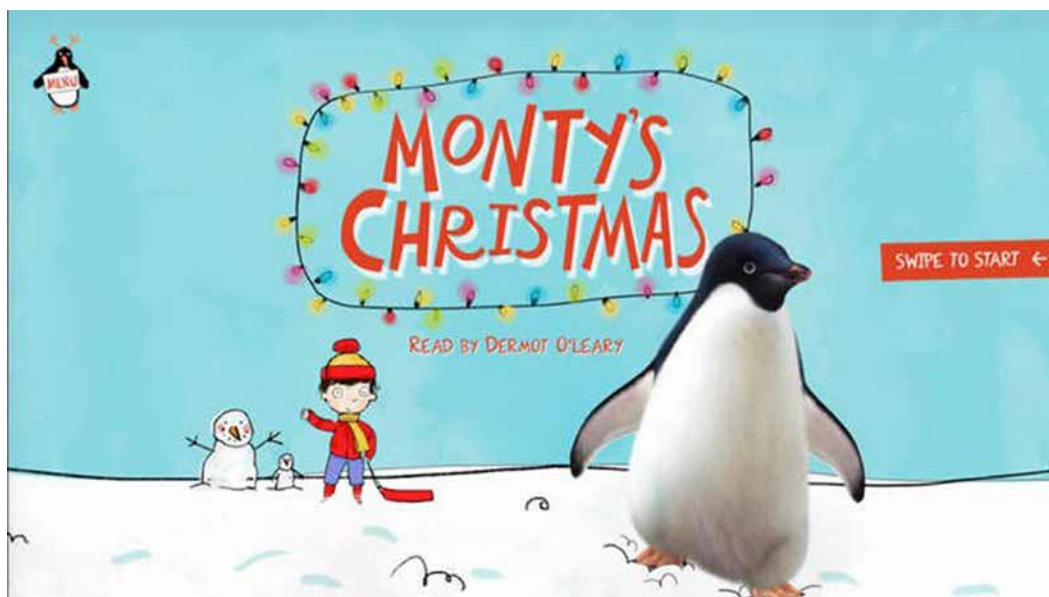
Most brands that have paid apps and subsequently make them free have increased downloads by a factor of about 20.

Option 2: In-app advertising

Initially, the Guardian offered free apps only. It continues to offer these for iOS and Android, with the goal to encourage upgrade. Here is an example of the Google Play offering.

At a high level, it's clear that apps provide an excellent environment for advertisers to reach a captive audience who are ready to engage in rich mobile media. Apps allow for targeting by behaviour segment, handset type, location and day-part.

²³ [Smart Insights: Developing and Launching an App.](#)



John Lewis' Monty's Christmas. Source: iTunes

It's evident that those browsing apps for wedding publications are in the market for wedding-related products and services. However, you must provide a worthwhile incentive to distract users from the primary purpose of their app time. For more detail on mobile advertising options, see Section 4.

An interesting example is in-app advertising by John Lewis. To coincide with the release of its Monty's Christmas mobile app, the retailer placed mobile ads on Shazam that targeted both new visitors searching for the song used in its own holiday advert, as well as users looking up tracks from competing retailers' commercials. John Lewis subsequently claimed the placement was a coincidence rather than strategic, but regardless of intent it was a successful mobile marketing tactic.

3. Sponsored

As the app developer, you may want to underwrite development costs by finding a sponsor with the right brand fit. Brands should ask whether they need to build from scratch when they can sponsor an existing app.

The longstanding partnership between P&G's Charmin toilet paper brand in the US and the SitOrSquat app is a good example. First launched in 2009 and still going strong, the app helps those in need to find their nearest public toilet from a database of over 100,000 across 10 different countries.



Sit or Squat Bathroom finder in 10 different countries – 100,000 bathrooms worldwide

Charmin sponsor the app to build brand awareness. It's also lower cost and risk than building from scratch. Dewayne Guy, former External Relations Manager explained:

'Sit or Squat is the perfect partner for us ... we're not going to reinvent the wheel by creating this application. We found somebody out there whose mission matches ours. It creates the perfect partnership.'

4. Define platforms to target

☐ Q. Different types of mobile app platforms defined?

This is the important one when you consider budget allocation and project management. Unlike mobile site build, where you can build once and automate the way your assets are re-purposed for multiple handsets, developers need to re-code the app multiple times for each of the platforms' Software Development Kits (SDKs) – iOS for Apple, Android, Microsoft, BlackBerry, Java.

Best Practice Tip 18 Review the cost of each additional platform carefully

iOS, Android, Microsoft, BlackBerry, Java or all of the above? Remember that within each platform, specific support may be needed. For example: for different tablet versions.

As a rule of thumb, you should examine traffic to your mobile site to confirm the handsets being used, and prioritise iOS or Android accordingly in your app build plan.

The build phase is time and budget consuming, and requires employing (or out-sourcing to) specialist developers with expertise in coding for iOS, Android etc. Consider here that

developers are needed at the design and build phase, but also for maintaining the app, to fix bugs, to respond to comments and reviews, and to make necessary changes for future app iterations (see tip 7 below).

You must also factor in the time required by the app stores to approve your new app, and subsequent versions. Android turns around approval requests fast - often within a few days - but Apple can take up to 10 weeks, so build this into your project plan.

5. Using the native features of the handset

Q. Are we using native handset features if relevant?

Native apps bring a range of consumer benefits and revenue streams for B2C and B2B business. As a rule, the apps that enable users to access other native handset functions to create a highly-personalised experience are most likely to encourage repeat usage. Consider the cameraphone, photo-library, contact book, calendar, social media profiles, GPS, accelerometer, calculator and browser. API plugins, including Google Maps, weather updates and Facebook Connect are all popular, allowing the app to aggregate and compile highly-personalised data, fed in realtime. The app then becomes a concierge service.

Best Practice Tip 19 Harness the handset's native functionality

The more handset features you use, the more justification you have for investing in apps.

Advances in browser technology mean that you can achieve many of the user experiences through carefully-crafted mobile sites that were previously the preserve of apps. These functions include rich media delivery, pre-populating data capture fields with cached data, access content whilst offline delivered, all of which can now be delivered through HTML5 web apps..

Let's look at the benefits and features of three example apps, that will appeal to mobile users in different life stages.

Life stage 1 – out there, finding a mate

Brand – Shazam

Consumer benefit(s): the audio-tagging app has achieved over 100 million downloads. It provides twin consumer benefits:

1. Its accurate, user-friendly audio recognition software allows music lovers to identify and buy the tunes they discover at festivals and in clubs, tagging their favourites and sharing via social media. It took Shazam 10 years to log its first billion tags, and 10 months to log its subsequent billion tags.
2. Extending the service to recognise TV and radio ad jingles drives users directly to corresponding sites and apps. All ads aired during the 2014 Super Bowl were recognized by Shazam, leading to more than 700,000 engagements.

Today, Shazam has made more than 500 TV commercials 'Shazamable', and over 30 per cent of US users have Shazamed TV. What's more, on average all Shazam TV campaigns have seen 65 per cent or more 'post tagging' engagement.

Handset functions: Microphone, memory, in-app purchase, social media feeds.

Life stage 2 – settling down, building the nest

Brand – Benjamin Moore paints

Consumer benefit: helps house movers to select the paint colours to match their furnishings, calculate how much paint they need to purchase, locate their nearest store, phone to check availability, check opening times and directions, and share feedback with their network via Twitter and Facebook.



Handset functions: Cameraphone, GPS via Google Maps API, cellphone for calls, Facebook Connect. Benjamin Moore has also created a B2B app allowing interior designers to create projects for their clients using their contact book.

Life stage 3 – getting serious, filling the nest

App – Pregnancy +

Consumer benefit: brings expectant parents interactive images for every week of her pregnancy. Used by more than 5 million, Pregnancy + can be personalised for dads, grandparents and other family members.

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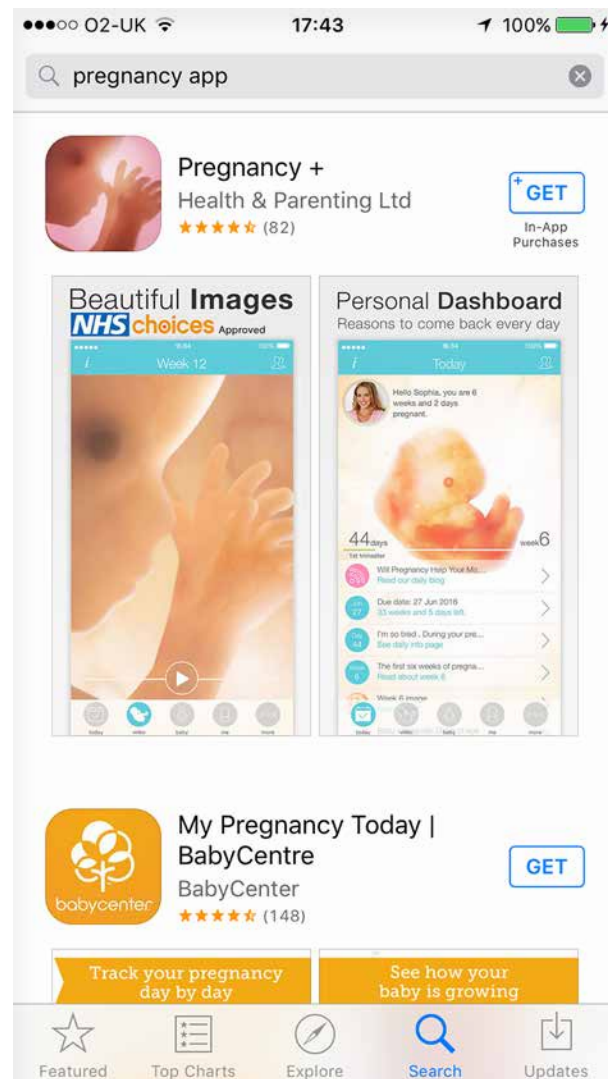
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Handset functions: calculator using data input for cycle length, period length, ovulation date, calendar, alerts, live feeds to relationship advice sites.

6. Maximise app visibility and usage

☐ Q. Has the app's effectiveness and usage been reviewed?

Best Practice Tip 20 Make sure you achieve stand-out and repeat use

Don't get lost in the noise of the crowded app stores.

Achieving stand-out in today's crowded app stores is one of the biggest challenges for marketers investing in apps.

Research from Nielsen shows that the most popular methods of app discovery are:

Option 1: Searching the app store

Apple and Android are getting to grips with making app store navigation easier, ranking search returns by popularity (based on download volumes) and quality (based on review ratings). It's worth also exploring techniques for enhancing the likelihood of your app being found, including the services offered by specialist app advertising companies such as Fetch, Millennial Media and M&CSaatchi Mobile. See Section 4 of this guide.

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Option 2: Word of mouth and social media

Most of the new apps I've downloaded in the last 12 months have been recommended by friends on my Twitter and Facebook feeds and bloggers whose views I respect. Favourites include Skype, which allows free peer to peer calls and text, particularly appealing when I'm abroad; Evernote, which allows me to write this book and sync the latest version in the cloud whether I'm making updates on my laptop, iPad or iPhone, depending on my location; and Instagram, for sharing great photos with social networks.

Option 3: Mention on device or network carrier page and app store marketing

There are clear advantages to getting close to mobile manufacturers, carriers and the app stores. Each party relies on the very best apps to raise awareness of their consumer offer. Having spent many a long hour working on the Waitrose Christmas Planner app, which was voted simultaneously by Apple and Android as app of the week, I can vouch for the instantaneous translation of app fame among app top store users to download volumes.

Option 4: Offline and email promotion

Offline mentions in TV and print serve to signpost traffic to the app stores to download your app. It's worth using the handset detection trick highlighted earlier in this section to identify the device then automatically drive traffic to the correct app store.

The offline print customer journey for the respondent is:

- A. Sees SMS/QR/Augmented Reality watermark response to press ad.
- B. Sends keyword to shortcode.
- C. Receives bounce-back SMS with clickable link.
- D. Clicks link and is directed to landing page where handset is detected.
- E. Receives follow up bounce-back SMS with clickable deep link to correct app store.

And let's not miss the obvious: your mobile site is a vital place to promote the impending arrival of your app. Likewise we show in the search advertising section that AdWords searches for your brand are also effective.

Best Practice Tip 21 Advertise or use SEO to make your app prominent in the search listings

Since brand searches are high volume, they're a great opportunity for raising awareness of you app.

6. Set a roadmap and budget for continuous app development

☐ Q. Have the budget and plan for app updates been defined?

The first version of the app should not be the last. Keep a close eye on reviews in the app stores as they're a key factor in determining visibility. Be prepared for honest, often highly-critical, reviews from app users and developers. Respond fast to fix bugs and add enhancements through an ongoing development cycle with frequent updates.

Readers who use apps will be familiar with push notifications asking them whether they want to download the latest version of apps on their smartphones and tablets. Offer additional functionality to stay front of mind, and avoid the delete button when the time comes for app purging.

7. Put analysis and improvement techniques in place

☐ Q. Have the mobile app analytics been reviewed?

App analytics solutions continue to evolve at a cracking pace. For brands, it's important to remember that measurement functionality needs to be specified in advance. App traffic can be tracked in granular detail, by download volumes, frequency of use, duration of sessions and usage by territory.

Remember that download does not mean usage. This means you'll need to set KPIs based on user journeys beyond the first click.

You can then cross reference app data against age, gender, consumer clusters and benchmark your app's performance against category norms. The intelligence derived helps brands deliver content that users find genuinely engaging.

Be clear about KPIs in advance, and allow time for awareness to translate into downloads, repeat usage and sales.

Google's Mobile App Analytics captures mobile app-specific usage data and integrates it with your Google Analytics account.

Using this approach you can measure:

- ☒ The number of installations
- ☒ Devices and networks used to access apps
- ☒ Geographic location and languages spoken by visitors
- ☒ In-app purchase totals
- ☒ Customised tracking of special content, like video
- ☒ Number of screens seen per visit, and the order in which visitors move through these screens.

The future for apps?

There's plenty of conjecture about the long-term future of apps.

Many believe that the capability of handsets and mobile browsers will develop such that apps are only here for the short term. Ex eBay designer and mobile evangelist Luke Wrobelowski commented:

'Are we really going to have one app for every Website? Apps put a lot of pressure on the user, they need to figure out which one they want, install it, and then actually use it (long term use is rare). Once you realize a lot of problems are about information access – the app model doesn't hold up very well.'

We think it likely brands will continue to develop apps which engender greater customer loyalty and harness a broad range of the handsets' native functions.

B2C apps

It's interesting to see the growth of 'aggregator' apps which allow users to access their preferred brands with single umbrella apps.

An equivalent umbrella app for mobile CRM is Apple's Passbook, an app which allows you to carry credit cards linked to Apple Pay, airline boarding passes, loyalty cards, multiple private passwords for banking, travel and retail accounts in a secure and convenient way within one app accessible at all times within three clicks.

B2B apps

Does consumer love of apps herald an explosion in B2B apps? Yes and no. Yes, because smartphone and tablet users in consumer mode have become used to the ease and convenience of access apps whether on or offline, which negates the greatest failing of the mobile internet when we have no WiFi access or when signal strength fails. No, because many CTOs (Chief Technical Officers) will insist that their databases remain off limits to third-party app stores.

The B2B app solution comes in the shape of the Mobile Enterprise Application Platform (MEAP), which offers 'plug and play' flexibility for organisations to integrate via API front-end mobile services with back-end databases spanning lead generation records, product information and pricing materials, in and out bound call centres, booking and registration processes and CRM databases. In each case, the mobile front should be compatible with data infrastructure and robust security, and can be configured for multiple languages, currency transactions, and default roaming profiles for preferred network partners for users with no WiFi access.

To gain sufficient download volumes for a return on investment, apps must deliver a clearly defined consumer benefit.

- ✓ **Utility.** Access to social networks, bank details, identify music.
- ✓ **Entertainment.** Games, music or film downloads.
- ✓ **Information.** News, sport, travel, weather updates, currency exchange.

We will look at ways you can encourage your app customers to use your apps repeatedly in the CRM and Location sections of this guide.

You need to factor in how you will keep your app updated and relevant. Poor reviews from lack of updates can kill apps.

Five top recommendations for producing great apps

As a summary to this section on apps, we see these as the most common challenges brands face when launching apps.

Challenge of app marketing	Details of issue	Solution
Audience reach	50% of mobile users are yet to adopt smartphones, so audience reach is capped.	Research handset ownership and for your target audience.
Discovery	With +/- 1 million apps available, creating stand-out in the app stores is critical. Apple and Android prioritise apps based on popularity (downloads) and quality (ratings and reviews).	Use traditional channels (all media channels, word of mouth, PR) digital channels (online ads, email, social media) and mobile channels (sites, ads, mobile, app store marketing) to drive awareness.
Cost	Developers need to re-code apps multiple times for platforms' different Software Development Kits (SDKs) – iOS, Android, BlackBerry, Java.	Examine mobile traffic on your site to confirm the handsets being used, and prioritise the SDKs in your app build plan.
Revenue	Gaming, media, entertainment, retail and travel apps are generating significant revenues. The majority of apps don't. Apple and Android take 30%, Microsoft takes 20% on download and in-app revenues.	Evaluate all revenue channels: download costs, in-app payments, advertising, sponsored apps, and bear in mind 95% of all app users won't pay for any app activity.

Challenge of app marketing	Details of issue	Solution
Project management	This one is fundamental, as weak project management results in a rushed and stressful app build, resulting in sloppy testing (50% of apps are launched with bugs), leading to negative reviews, hence poor visibility in the app stores.	Build sufficient time to define suitable app features, hire experts iOS/Android coders, test on multiple handsets, and allow enough time for approvals (up to 10 weeks for Apple).



FOUR

Reaching mobile users through search marketing advertising and customer communications

- ❑ Q. *Have opportunities to create awareness and demand through mobile advertising been reviewed?*

You must get noticed. As marketers, we're tasked with raising awareness of a brand's mobile services and the value they offer.

We must also drive use of mobile channels by consumers and businesses. The previous sections in this guide will be wasted unless your target audience can find your mobile sites and apps, interact with them, and share with their social networks. This requires a joined-up approach, including clear communication with internal departments and external agencies.

The obvious opportunities to tell users about your mobile services are search engines, media sites and appstores. However, mobile platforms often use different search advertising programmes and ad networks to desktop platforms and will require additional effort to get you noticed. As previously highlighted in Section 3, user intent and context also differs from desktop, which must be factored into any search campaigns created specifically for mobile.

Strategy recommendation 12 Maximise opportunities to create awareness of your mobile services on mobile sites

Plan to increase visibility on relevant mobile touchpoints including search engines, media sites and appstores.

There are also opportunities to increase use of mobile services through traditional advertising. An obvious, but perhaps over-hyped example is visual recognition codes added to print media and direct marketing (DM), which we will explore in this section.

Strategy recommendation 13 Integrate traditional media to drive awareness of mobile services

Use your existing above-the-line, DM, email, online advertising, search and social marketing to drive traffic to your mobile site and push app downloads.

Be creative in your integrated campaigns. Ask how your offline and online marketing can be galvanised to deliver consistent and clear signposts driving traffic to your mobile site and apps. Where relevant, incorporate SMS calls to action with TV, press, radio and outdoor ads, and in-store promotions. It's a quick way to build your mobile database and encourages your customers to initiate dialogue. Leading retailers, entertainment, gambling and travel brands, are also seeing significant mobile web traffic from Facebook followers, and excellent response levels from email campaigns offering incentives to recipients who reply via mobile.

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Mobile search marketing



According to research by Google & Nielsen,
79% of mobile searches lead to follow-up actions.

Q. Has our mobile search marketing potential been reviewed?

If mobile search is not 'on your radar', it should be. There are three key drivers to its continued growth:

- ✓ 'Mobile search' now accounts for more than 50% of all search traffic, and that number continues to grow as global penetration of mobile devices increases.
- ✓ People are using mobile devices at home in conjunction with offline media like television and print to search for companies, products and services.
- ✓ People are using mobile devices to find local information (businesses, offers, store opening times, etc).

Understand which keyphrases relevant to your business are being searched for on mobile devices, then use mobile analytics to see where your content currently ranks for these searches. Often businesses base their research solely on desktop traffic, overlooking a growing percentage of their total audience.

Even if mobile isn't yet a large chunk of your total traffic, familiarise yourself with any trends. Some web owners we know currently see mobile drive less than 10 per cent of all traffic, however, the segment is growing at more than 100 per cent year-on-year.

If you're unsure how large your mobile audience is, use your analytics tools to identify the percentage split of traffic between mobile and desktop. In Google Analytics, this can be found in Audience > Overview > Mobile report.

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☐ Q. *Have we researched our keyphrases for mobile users?*

Google Suggest, the search engine's auto-complete function, varies for mobile. Research relevant suggested phrases, including how well you rank for these on mobile.

Best Practice Tip 22 Review mobile search volume and consumer behaviour

Use the free Google Keyword Planner Tool to assess mobile and local searches for your audience.

Don't forget to set a match type such as broad, phrase, exact or negative. If you don't select one, Google defaults to 'broad match', which will inflate estimates.

☐ Q. *Has the relevant content within mobile versions of search engines been indexed?*

As with desktop search, indexing depends on crawlability. Consider how search engine crawlers function, and optimise your visibility. If you have a mobile-specific site with dedicated content, create a mobile-specific sitemap. If you're using a design technique like RWD with common content for all screen resolutions, this isn't necessary.

Google holds RWD as its 'recommended configuration'²⁴ for smartphone-optimised sites. If you search in Google Mobile, you'll see the majority of sites still don't use mobile-specific content.

That said, Google does provide a smartphone-focused Googlebot crawler that's useful for publishers who serve specific content for handheld devices.

A good test of your mobile SEO effectiveness is to review the percentage of branded and non-branded search terms via mobile search engines compared to desktop.

Mobile-specific content visible

If you have content specifically re-purposed for mobile, ask key stakeholders:

☐ Q1. *Have we submitted a mobile-specific site map?*

Google has details on how to do this in its support pages.²⁵

☐ Q2. *Have we avoided mobile-specific errors?*

Have we avoided mobile-specific errors? Google now penalises mobile sites for things like faulty redirects and 'unfriendly' pages.

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²⁵ [Google Webmaster Tools: Adding mobile URL information to a sitemap.](#)

Best Practice Tip 23 Make your site mobile friendly

1. Think user-friendly, not just eye-catching. A common mistake many businesses make is to think their job's done once website pages fit on different devices. In reality, Google wants to make mobile websites easier to use, not just more attractive.
2. Be generous with your tap areas. Those of us with sausage fingers implore you, please don't be stingy with any tap-to-navigate buttons. Remember that many of your users are navigating your website with one hand, making zooming and scrolling tricky. Smashed together buttons won't be rewarded in the Google search algorithm.
3. Search and email boxes should be easy to type in. Completing a form, inputting a search, or entering your mobile address via mobile shouldn't leave you feeling like you've gone ten rounds with a champion thumb wrestler. Opt for generous space both inside and around input areas.
4. Give your links room to breathe. Are you seeing a recurring theme here? Google is also trying to stamp out crammed-together links.
5. Double-check your blocked assets in Robots.txt. Google does not reward you for blocking primary CSS files, like your stylesheet, and any critical JavaScript files. A general rule of thumb is to only block things in Robot.txt that are known to cause user experience difficulties.

☐ Q3. Have we specified content to be crawled by the mobile version of the Google spider?

An alternative to specifying content in a sitemap is to make sure the Googlebot mobile crawler sees the content (relevant for mobile-specific sites only).

☐ Q4. Has a satisfactory position been achieved for mobile search?

Remember context and intent when you assess how your mobile site ranks for relevant local search terms people use when they're 'out and about'.

What is it? Free Google test - How mobile-friendly is your site?

For a quick and free online test to check whether your site is mobile friendly, drop your URL into <https://www.google.com/webmasters/tools/mobile-friendly/>

Review local search effectiveness

☐ Q. Can we be found in local search (formerly Google Places and now Google+ Local)?

Google Places was migrated to Google MyBusiness, so every business with a Google Places listing now has an equivalent Google+ Local page.

Google+ Local pages are shown in search results. Since many people search for local services such as restaurants when they're 'out and about' taking a few minutes to create a Google+ Local listing is a quick win for mobile visibility.

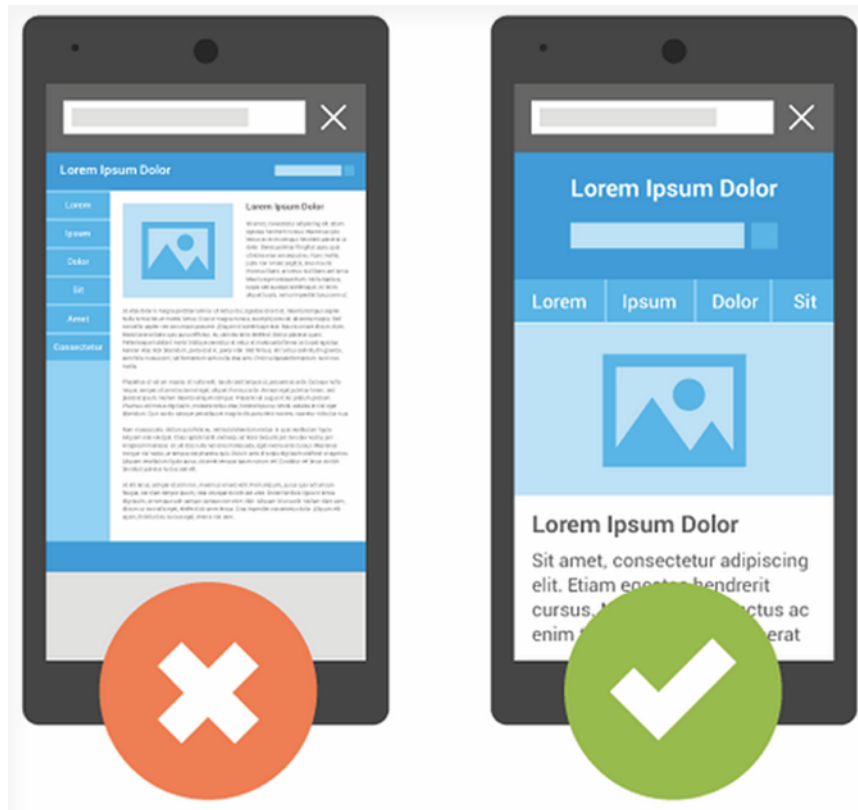
Best Practice Tip 24 Review Google+ Local listings

If your brand has physical locations, check your ranking within Google+ Local and promote it through Google MyBusiness. For example: free reviews can drive footfall from search.

We have more specific advice on Google+ Local in Step 7.

Google's mobile search algorithm updates

Google is committed to support mobile friendly site development, and penalizing businesses which fail to go mobile-friendly. In April 2015, the [Google Webmaster blog](#)²⁶ announced the launch of its mobile-friendly update, which boosted the ranking of mobile-friendly pages to help searchers more easily find high-quality and relevant results where text is readable without tapping or zooming.



In what became known as Mobilegeddon, site owners including Wikipedia, Reddit, and the BBC were deemed not mobile friendly. Outside of the top 100, other surprising fails included easyJet, MOZ and Magento. In all some 44% of Fortune 500 companies' websites also missed the mark, and saw their search ranking suffer as a result.

Google is stepping up the pressure: to give publishers even more of an incentive to offer mobile-friendly pages, Google announced that from May 2016, it will [increase](#) the importance of having a mobile page, and sites that are not mobile-friendly will [rank even lower](#) than before

Mobile pay per click including Google AdWords mobile

☐ Q. Have we reviewed mobile marketing ad extensions in AdWords?

Google stated in May 2015: "Billions of times per day, consumers turn to Google for I want-to-know, I want-to-go, I want-to-do, and I want-to-buy moments. And at these times, consumers are increasingly picking up their smartphones for answers. In fact, more Google searches take place on mobile devices than on computers in 10 countries including the US and Japan."²⁷

²⁶ [Google Webmasters rolling out mobile-friendly-update.html](#)

²⁷ [Google AdWords Blogspot: Building for the next moment](#)

Mobile search ads' importance continues to rise. Both search investment and clicks increased dramatically following Google's move to AdWords enhanced campaigns. Google wanted to automatically include mobile search users in its targeting in order to protect its revenue.

What is it? AdWords enhanced campaigns

A change to AdWords bidding introduced in 2013 which enables enabled advertisers to target mobile and local searchers more easily by up-weighting or down-weighting.

You can opt out of targeting mobile phones by reducing your mobile-specific bid variance to -100 per cent but there is no way to opt out of targeting tablets. Therefore if your site does not render well on tablets then your performance will suffer.

You can still see the performance of your advertising by device in Google Analytics as shown here:

Campaign	Budget	Status	Enhanced	Campaign type	Campaign subtype	Clicks	Imp.	CTR	Avg. CPC	Cost	Avg. Pos.	Conv. (1-per-click)	Cost / conv. (1-per-click)	Conv. rate (1-per-click)	Conv. (many-per-click)
	£160.00/day	Paused	Enhanced	Search Network only	All features	1,194	53,843	2.22%	£0.82	£981.77	4.5	11	£89.25	0.92%	13
Computers						668	30,408	2.20%	£0.84	£560.83	4.8	9	£62.31	1.35%	11
Mobile devices with full browsers						122	8,166	1.49%	£0.76	£92.97	3.1	0	£0.00	0.00%	0
Tablets with full browsers						404	15,269	2.65%	£0.81	£327.97	4.5	2	£163.98	0.50%	2

The mobile journey from search to site (or app) should be seamless. It should provide a consistently high-quality user experience across all mobile platforms. If your site is not mobile optimised, and there is no app download option, stick with the click-to-call destination until the site or app is finalised.

Best Practice Tip 25 Ensure your landing page is mobile optimised

An obvious one, but important to keep in mind. Mobile users expect landing pages to load fast, or will find a competitor's site with fast loading pages.

Google now calculates your Quality Score at a device level. If your landing pages aren't mobile optimised, don't expect them to receive a high Quality Score for smartphones.

Best Practice Tip 26 Review and improve Quality Score for mobile devices

If your landing pages aren't optimised for traffic from mobile devices, don't expect them to get a high Quality Score for mobile devices.

Recommended resource? Review and improve To find out more about Quality Score for mobile devices see our specialist AdWords Guide

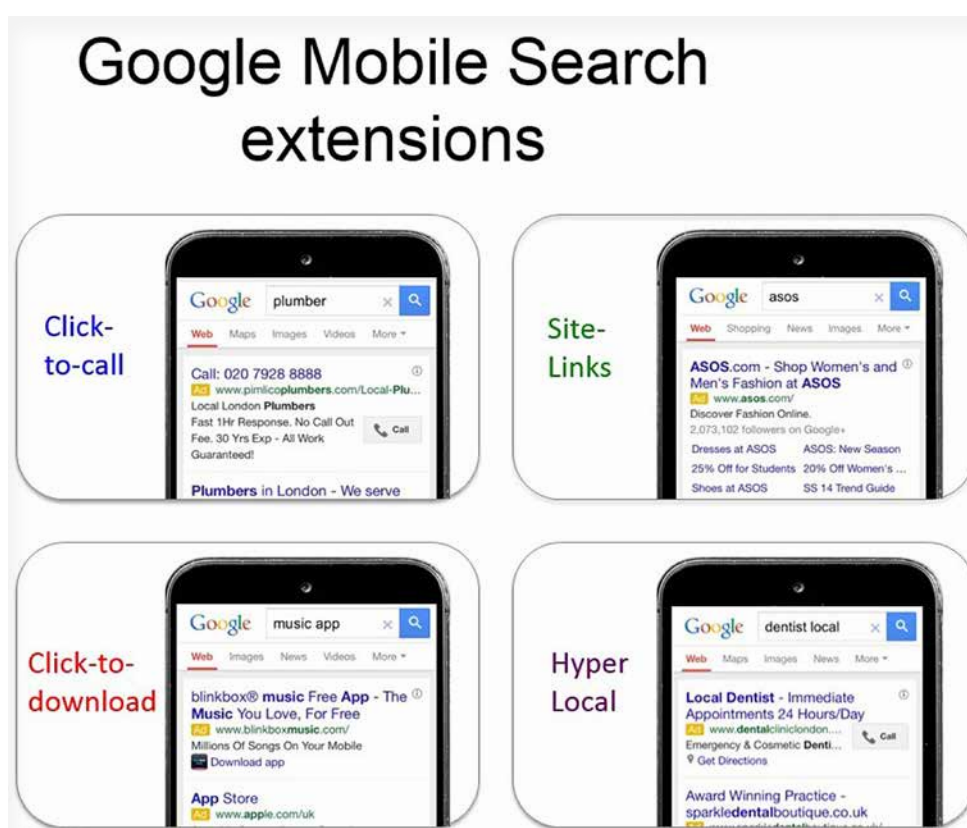
The [7 Steps Guide to Google AdWords](#) explains the concept of Quality Score and enhanced campaigns in more detail.

Let's now look at the many options for using AdWords to advertise to mobile users.

Mobile AdWords ad formats

Today, Google AdWords isn't only about text ads with blue links, there are a number of ad extensions with visual cues for searchers. Many are particularly useful to mobile marketers; the full range of AdWords ad extensions are:

- ✓ **Location** – Extend ads with location information on maps.
- ✓ **Product** – Extend ads with relevant product details such as images and prices from Google Merchant Center.
- ✓ **Sitelinks** – Extend ads with links to sections on a site.
- ✓ **Call** – Extend ads with a phone number.
- ✓ **Social** – Increase the social relevance of ads by associating them with a company Google+ Page.
- ✓ **Mobile app** – Extend ads with a link to a mobile/tablet app.



Examples of mobile search formats: Google

1. Click-to-call extension

Don't forget the obvious: mobile 'phones' and tablets allows users to make calls. Click-to call is one of the most effective ways to connect to your consumers. We've seen URLs' click-through rate increase 30 per cent with the additional of the click-to-call feature.

Google AdWords' 'Call Extensions' and Bing adCentre's 'Click-to-Call' drive call traffic directly from search results.

For PPC campaigns, unless your call centre is manned 24/7, you should limit your campaigns to opening hours.

2 Click-to-download mobile app

For retailers with apps to promote, Google's click-to-download feature allows you to elegantly sidestep trawling through the app stores for the content you want. Handset detection software plays a critical role here, filtering iOS/Android traffic to iTunes or Google Play automatically. Users simply click the link for the correct app.

3 Site links

Site links (below the main call-to-action) are an effective way for retailers to provide shoppers with deep site links to additional options or offers. Site links take more real estate on the results page, thereby increasing the chance of click through. Use broad matching and general keywords to maximise ad impressions.

4 Location

We would argue that geo-location is the most significant difference between desktop and mobile search, and should result in a reallocation of retailers' mobile search budgets following testing. According to Google, 88 per cent of mobile users seek local information, and 50 per cent visit a store within one day of their local search.²⁸



²⁸ [Search Engine Watch: Local Searches Lead 50% of Mobile Users to Visit Stores](#)



Source: Google

This presents a significant opportunity for retailers aiming to drive footfall who should use location extensions to promote local details within Google+ and Microsoft Bing.

If you're making the case for mobile ads we recommend these case studies showing the benefits and ad formats used²⁹

Targeting day-parts through paid search

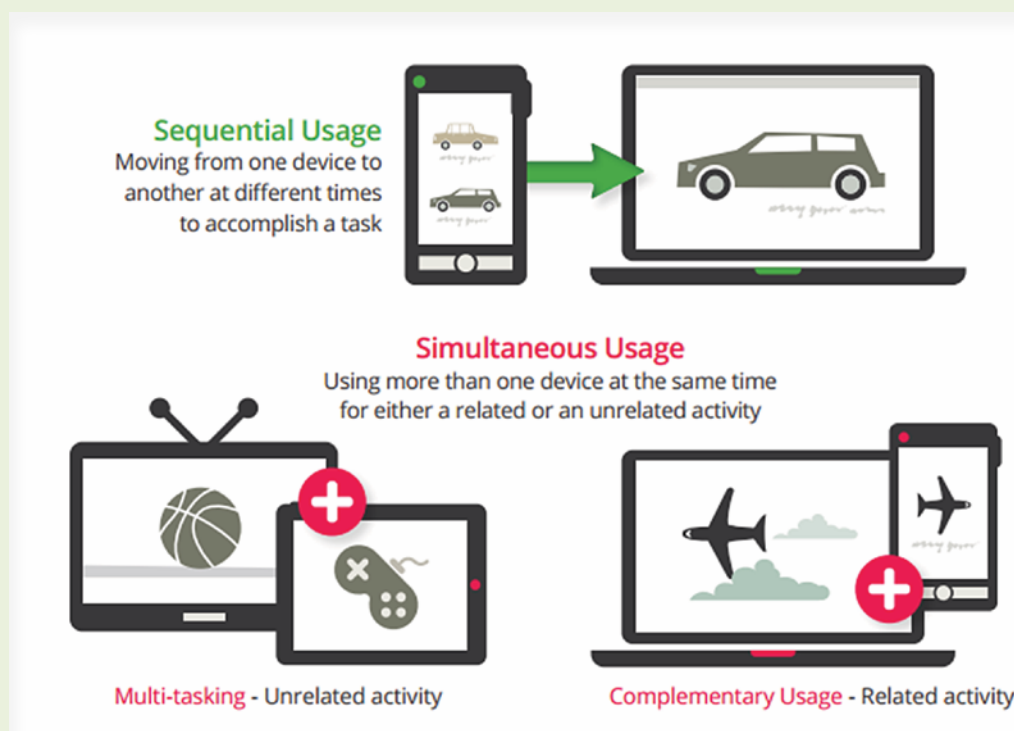
It's worth researching how customer usage of different search platforms varies throughout the day, to better understand where and when you should allocate your mobile search budget.

²⁹ [Google Mobile AdWords case studies.](#)

Best Practice Tip 27 Ensure visibility at times of peak mobile usage

Tablet and smartphone use tends to be highest in the evening as part of 'multiscreen' content consumption. Make sure you're visible across these mobile platforms, particularly if you have TV ads running.

Mobile technology that enhances multiscreening includes Shazam's hugely popular audio recognition service, and visual watermark codes.



Creating separate ads for mobile devices

On the ads tab in the AdWords interface, click on '+ New ad' then select 'text ad' and you'll see a small tick box for device preference. This allows you contextualise ad copy based on mobile device use.

Best Practice Tip 28 Consider writing separate ads for mobile devices

As highlighted in Section 3, user searches from a mobile device are driven by different intent and context. It makes sense, then, to serve ads tailored to the mobile experience.

Mobile advertising

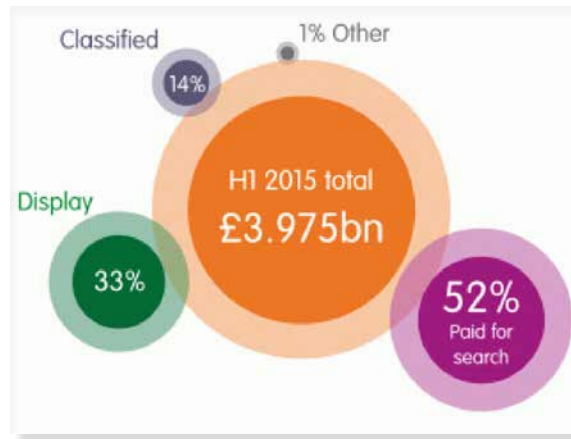
Mobile advertising was seen as the great hope for newspapers and magazines, replacing revenues lost in the switch to digital from print. The influential analyst Mary Meeker, of venture capitalist Kleiner Perkins, estimated this to be a [\\$25bn opportunity in the US](#) alone. Now the hoped-for revenues are in peril, and publishers – and people who care about free, independent news – are rightly worried.

We take a look at the growth of the mobile advertising market, the formats available, including the explosive growth of video ads, planning and buying dynamics, and the threat of adblocking.

Q. Have opportunities for increasing reach and frequency with mobile ads been assessed?

Marketers can harness the growing popularity of viewing media sites and native apps on mobile, and using display or video ads to reach and influence audiences.

In addition to search, email and social networks, smartphones and tablets are fast becoming the preferred devices for browsing publisher sites for the latest news or entertainment. Forecasts show that display ads placed on these sites are primed for massive growth.



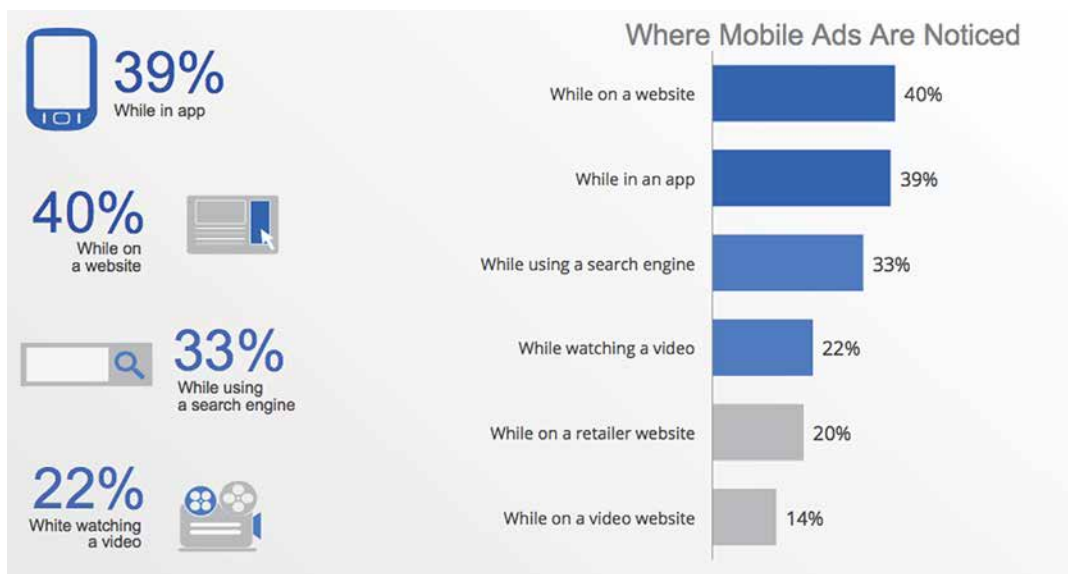
UK Mobile Advertising Forecast. Source: IAB

Digital now accounts for 40% of all UK adspend, and is estimated by the IAB to hit 50% by 2020. The market was worth £4 billion in the first half of 2015, growing 13% year on year.

Mobile's share of the digital advertising cake is now 25% of all digital adspend - weighing in at £1 billion for the first half of 2015 - up 51% on the previous year.

Drilling deeper, paid for search makes up half of mobile advertising, and the biggest growth comes from video ads, estimated to have hit £500 million for the full year in 2015.

Google Mobile Planet research shows where mobile ads are noticed most by today's mobile users: predominantly whilst browsing sites, and in app.



Meeting different business needs

Mobile advertising delivers three core business needs: Direct Response (including Driving app installs), Brand Awareness and Driving Footfall

In each case select the objective you're looking to serve, your targeting needs, trading metrics, suppliers and ad formats. Trading metrics are critical to tracking and optimizing your ad budget. As the industry has shifted from manual to automated buying, the metrics used have shifted from crude metrics of audience reach: CPM - Cost Per Thousand (Mille) to performance based metrics including CPC - Cost Per Click and CPI - Cost Per Install for app marketing. Ultimately, brands want new customers, and attribution measures to prove the ads drive traffic which converts, so will be looking for CPA brands will insist on a p
CPC or cost per click, CPM for cost per thousand, CPA - Cost Per Acquisition.

Objective 1 - Direct Response



Objective 2 - Brand Awareness



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Planning and Buying Mobile Advertising – Targeting, Retargeting and Real-time Ad Buying

Over the past 2 years, the mobile advertising market has undergone wholesale automation. Where campaigns were planning and buying was manual, mobile ads are almost entirely sold “programmatically”, meaning that an algorithm decides what ad goes where – and how much it costs. Unlike print and broadcast advertising, where an advertiser pays a flat fee to put a specific ad in a specific place, web ads are served to the user depending on their browsing history.

This model allows advertisers to personalise ads, ensuring they advertise wedding dresses to brides-to-be, mattresses to first-time buyers, and fast cars to insecure men, without wasting money on groups unlikely to react well.

What is it? RTB, DSPs and retargeting

Targeted ad services are available on mobile thanks to unique user detection.

Real-time buying (RTB): ad inventory bought and sold per impression through auction-based programmatic advertising.

Demand-side platforms (DSPs): sit within the RTB ecosystem, enabling advertisers to purchase display advertising inventory and manage data across multiple networks from a single place.

Retargeting: dynamically serve ad content and offers depending on users’ previous interactions with a site.

RTB-enabled DSPs allow advertisers to make a holistic decision on a campaign’s progress. Buyers manage all information from multiple ad exchanges in one place. Compared to the alternative - accessing multiple ad exchanges individually and manually - inventory purchases via DSP are streamlined and more easily optimised.

Once a buyer has uploaded specific targeting criteria, the DSP effectively listens to each ad exchange in real time. When a suitable ad becomes available, the DSP buys the ad and delivers it. The whole process takes around 0.12 seconds.

Like traditional ad networks, DSPs enable retargeting or behavioural targeting. Site users who have already visited and interacted with different content across a network can be targeted contextually.

DSPs often bid more aggressively for impressions with a greater probability of converting. DSPs look for valuable impressions and examine their precise origins.

Mobile ad creative options

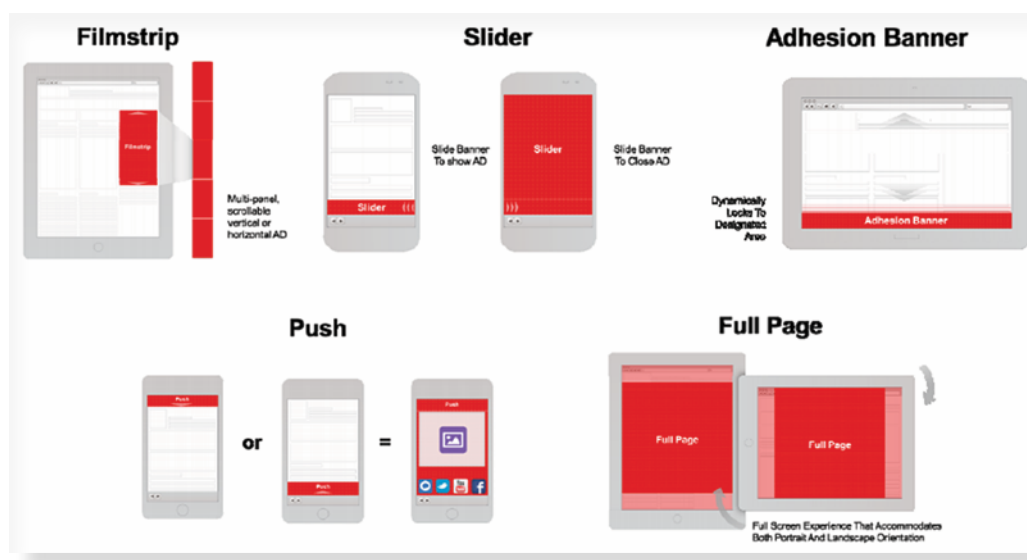
□ Q. *Have the creative possibilities of mobile been assessed?*

Many agency creative directors reject mobile as being a small screen for small ideas. Their more enlightened counterparts see the opportunity to achieve mass-market reach with engaging, fun, interactive brand experiences that enrich consumers' lives.

There's an extensive range of interactive banners, interstitials (ads that appear before the web page), and video formats to provide rich media engagement. Touchscreens have revolutionised advertising. The mobile handset's accelerometer, orientation and location add additional engagement, allowing brand messages to be presented in new and unique ways.

Let's not forget that user experience is everything. Mobile users expect quick, easy, intuitive activation of ads as they do with other mobile behaviours. Use familiar icons to deliver visual shortcuts to enrich the customer journey.

The mobile industry has been pushing hard for standardisation of mobile ad formats for over 10 years in order to grow mobile ad spend. Keep a close eye on new mobile ad formats launched by the Internet Advertising Bureau (IAB) and Mobile Marketing Association (MMA) that can be deployed across multiple markets.³⁰



Source: IAB Rising Stars ad formats

³⁰ [IAB/MMA – New mobile ad formats.](#)

Encouraging social sharing

☐ Q. Has social sharing functionality been included?

Google's view that mobile success is all about 'time' springs to mind. Mobile helps us save time (when we're busy), kill time (when we're waiting), and share time (when we have good or bad experiences we want our networks to know about).

More than half a billion Facebook users engage with the social network solely via mobile. Twitter is the ostensibly a shared experience which plays out spontaneously, regardless of our location, and we have a dizzying array of mobile and tablet platforms on which to send, receive and analyse Twitter traffic.

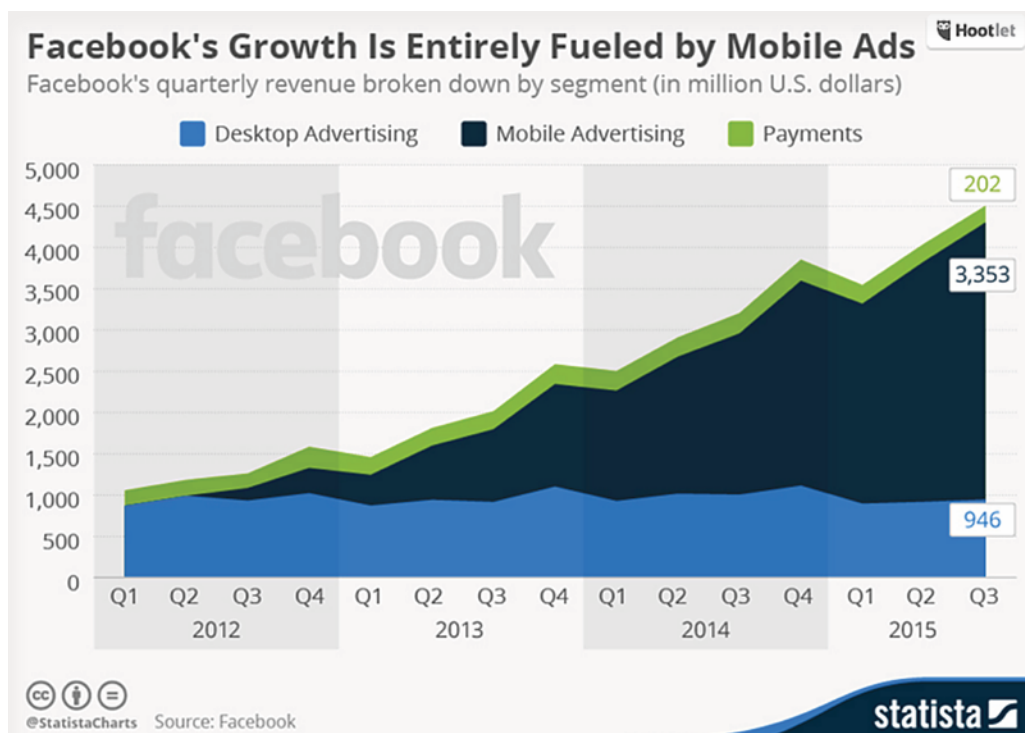
Remember to add Twitter and Facebook icons to mobile content to maximise sharing.

Facebook advertising

Strong mobile advertising continues to be engine driving Facebook's global expansion.

When Facebook started selling mobile advertising in 2012, not even the keenest optimists could have predicted how successful this decision would turn out. Over the following 3 years, mobile ads have accounted for more than 90% of Facebook's revenue growth. In the first nine months of 2015, all of the company's growth came from advertising on tablets and smartphones. Mobile ad revenue now accounts for 78 percent of Facebook's advertising revenue and 74 percent of total revenue.

Considering the fact that Facebook has over 900 million mobile users on an average day, this is surprise.



Writing on hubspot, [Amanda Sibley](#) points out the essentials for effective Facebook advertising:

- ☒ Be visual ... a picture tells a thousand words

- ☑ Be relevant, and be rewarded by the new relevance score, which gets favourable treatments for your ads by Facebook
- ☑ Include an enticing value proposition, including social proof
- ☑ Include a clear call-to-action, creating urgency for your browser to click now

❑ Q. *Have we adopted a ‘Trial, measure, adapt, then roll out’ approach?*

As every mobile engagement delivers a time- and location-based data trail, marketers can track in real time the effectiveness of mobile ads in achieving the desired call to action – click to call, click to register, click to browse (site), click to install (app), click to play, or click to buy.

Developments in the mobile couponing arena make this level of transparency a key point of difference for brands competing for customer spend. Brands capturing data at the point of sale can track the customer’s route to purchase back to the mobile voucher’s origin, whether delivered via SMS or visual recognition code activation via on-pack or in-store promotion, above-the-line media, mobile ad or CRM push notification. Millennial Media recommend the following approach:

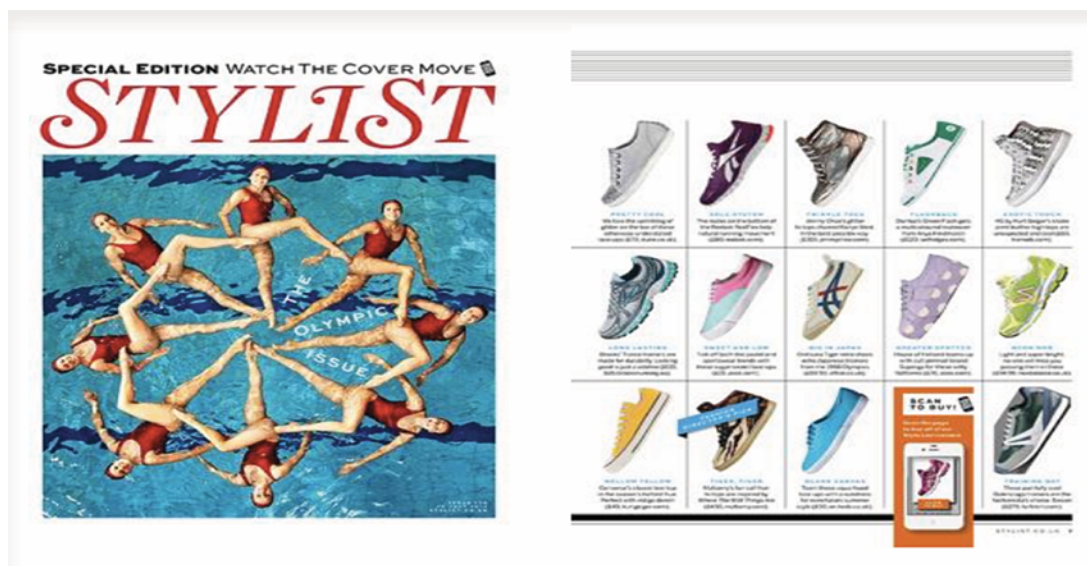
- ☑ Step 1. Targeted mobile ad.
- ☑ Step 2. Consumer downloads unique voucher to their mobile.
- ☑ Step 3. Voucher redeemed in-store at point of sale (POS).
- ☑ Step 4. Redemption, purchase and CRM details passed back to retailer.
- ☑ Step 5. Campaign optimised based on voucher performance.



Offline advertising to encourage mobile interaction

Q. Have we reviewed opportunities to prompt mobile interactions using offline ads?

Offline advertising and touchpoints can also be used, particularly utilising visual recognition or other action codes.



Mobile activated engagement via visual watermark. Source: Stylist magazine

We use the term 'action code' since, although QR codes were originally most popular, image recognition apps have superseded them. The chart on the next page shows that Microsoft Tag and Blippar are more popular.

What is it? Mobile action code

A response code from a traditional ad or direct mail format. QR codes in print adverts or outdoor advertising are the best known, but other formats such as Blippar or NFC (and near field communication (NFC) are increasing in popularity.

So how are action codes being used by marketers? Analysis by Blue Soho, formerly Nellymoser, indicates it's for one or more of the following four purposes:

1. **Branding and Demonstrations.** The largest usage for action codes is to showcase a video (35 per cent). These videos are often created specifically for mobile use. Examples include: a behind-the-scenes look; a product demonstration; a how-to video; or an entertaining video.
2. **Data Capture and List Building** (Opt-in/Subscribe/Sweepstakes). Action codes are effective for building databases because readers can respond immediately. 'Smart Sweepstakes' are used to increase scan rates. After a user scans and enters information, the smart sweepstakes retains the user's entry data from one scan to the next, enabling instant entry and reducing the obstacles to form submission.
3. **Commerce** (Online Store, Bricks-and-Mortar Store Locator, Coupon). Readers can immediately scan and act on a desire to purchase. Links to a corporate e-commerce store led the category at 21 per cent followed by in-app store locators at 11 per cent. Some store locators use the phone's built-in GPS to find the nearest location.

- ✓ 4. **Social Media.** Action codes are used to enable Facebook and Twitter, as well as to connect to email. Eighteen per cent of codes enabled readers to share a video link or product information via social media. (NOTE: Only social sharing that was part of the mobile campaign was included. Some video campaigns led to a YouTube Channel, which in turn has a social sharing feature. These were not counted.)

It's important to design action code campaigns to maximise response. Many campaigns fail to deliver decent response levels as the creative team is forced to include an action code on artwork as an afterthought. The code tends to be reduced in size and relegated to the bottom of the press ad or poster, resulting in a poor user experience.

Mobile video

Video advertising has reached critical mass. Video ad spend exceeded £500m, driven in part by a seismic growth in Mobile video – sized at £164m in 2014, up 142% year on year. Brands clearly have confidence in this immersive and highly engaging medium.

Specialists like [YuMe](#) have developed video ad formats which deliver multiple creatives, product features and custom content to communicate a full brand story within a single ad unit. This interactive environment is designed to capture the attention and emotion of consumers through fun, relevant content.

Mobile interactive pre-roll offers 15-:30 second videos with a variety of interactivity options designed to drive social interactions, additional video views, promote additional brand content and drive e-commerce sales.



Ad blocking

Ad blocking is affecting the whole digital industry, especially publishers and agencies.

When Apple revealed that its new operating system for mobile phones, iOS 9, would feature what the company called “content-blocking Safari extensions”, no one paid much notice. Details of the content-blocking extensions were buried in technical documents.

Online publishers slowly realised that the feature, which allows users to block ads in the Safari browser for the first time, could pose a threat to their industry. Music piracy altered a generation’s attitude to music by creating the perception that it should be free, and opened the doors to streaming services such as Spotify to rewrite the textbook on making money from music. Could ad blocking do the same to online publishing?

There are two sides to the argument at play.

Modern web advertising tracks its audience – and tracking tools use a major chunk of bandwidth, particularly on mobile, and slow down devices.

Ad blocking has developed to significantly improve the user experience by removing this reduction in performance speeds – and to protect consumers from ad tech which bombards them with ads whether they want them or not. Ben Williams of AdBlockPlus – a popular adblocker available for all the major browsing platforms - argues that ad blocking was originally developed as a defence mechanism for users against fraudulent adverts. This has now been moved on so that users can decide which ads they'd like to see – acceptable and 'good' ads won't be blocked by the consumer.

On the other hand, proponents of advertising argue that ad blocking isn't a consumer right, and brands have the right to advertise to customers, whatever device they happen to be

This is not the first time technology has threatening to throttle the ad industry. In 2005, broadcasters feared the advent of tech that allowed viewers to fast-forward through ad breaks – yet 10 years on the TV advertising market is in rude health.

Our advice is that you need to gain the respect and loyalty of the consumer. Tracking which ads are clicked, and following click path through to landing pages and ongoing interaction will determine acceptance and favourability of your ads. And get your best brains working on the mobile ad creative.

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Mobile commerce and mobile payments

- ❑ Q. *How can we provide more consumer choice and convenience and increased revenue through new revenue models and mobile payment services?*

Many say the banks and credit card providers had it their way for too long. Cash payments are in decline, and mobile payments are on the rise.

Cash payments in decline: Acceleration of contactless payment has been much quicker than we anticipated when the mobile payments market started to build momentum in 2012. We forecast cash payments could decline by 50% by 2025. Apple Pay will lead the charge, followed by Google Pay and Samsung Pay.

Here are 5 areas where we expect the impact of mobile will be most dynamic:

- ✅ **Majority of online sales now mobile³¹:** Smartphones and tablets accounted for 51% of UK online retail sales in Q4 2015, which was a substantial increase on the 45% recorded in Q3 – and up from 40% in Q4 last year. (Source: IMRG)
- ✅ **Mobile-influenced store sales:** Smartphone owners use their phones in-store to check product info, ratings and reviews. In 2016, an estimated \$689 billion of retail sales will be influenced by mobile (Source: Deloitte)
- ✅ **Majority will use mobile wallets:** Contactless payments have trebled in the last 12 month. The majority of people will use digital wallets as the predominant payment method. (Source: MBNA)
- ✅ **> Over 40s using mobile payment tech:** Trusted and secure identification built into smartphones, and linked to banking, travel and retail activities will appeal to older (and more affluent) mobile users
- ✅ **Transport moving to contactless:** plans are being rolled out to implement contactless payments on rail networks across Europe, but changes could be gradual as legacy systems catch up.

There's a compelling business case for mobile commerce based on consumer demand, handset capabilities and an investment community with an appetite for fast, convenient, trusted and secure mobile payment platforms to unlock massive revenue potential. Mobile payments platforms are now firmly established.

Strategy recommendation 14 Explore new revenue models and payment models to support them

Mobile offers new ways for customers to pay, including customers who can't pay via existing e-commerce payment methods. If you don't exploit these, you can be sure your competitors will.

Mobile Commerce will grow from 22% of online commerce in 2015 to 32% by 2019, (Euromonitor forecast). Goldman Sachs estimates Mobile commerce will generate \$626 billion by 2018.

This step looks at the mobile payment options available. We will take a look at the six five established payment models with a sixth (mobile wallet) which is rapidly becoming mainstream. The six models are:

³¹ <http://www.imrg.org/index.php?catalog=2658>

- ✓ 1. **Mobile app payments.**
- ✓ 2. **Operator (carrier) billing.**
- ✓ 3. **Payment-specific apps.**
- ✓ 4. **Contactless payments (NFC/RFID(Near Field Communication /Radio Frequency Identification)).**
- ✓ 5. **Mobile wallet.**

As you review each of these payment options consider these benefits against these challenges:

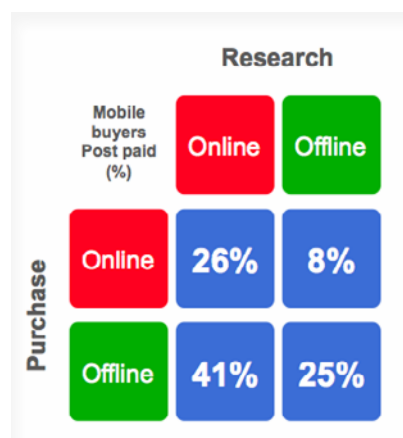
- ✓ 1. **Customer benefits:** Convenience, ease of use and speed.
- ✓ 2. **Customer concerns:** Trust, privacy and security.
- ✓ 3. **Integration and technology issues:** Data and legacy system integration and performance.

Before we review each of the payment options we will introduce the fast changing mobile payments options. In this section we look at the role mobile plays in the route to purchase, whether in-store or on-line. We also provide a briefing on the multiple mobile payment models jostling for position in the race to provide a convenient, secure and trusted mobile payment solution. We cover mobile coupons and mobile CRM in the next section.

Research online, purchase offline or vice versa?

Today, online and bricks-and-mortar retailers are experiencing a major shift in the way mobile phones are changing purchase behaviour. Google's Shopper Marketing Agency Council estimates that 79 per cent of smartphone owners – over 80% of mobile users in Europe and the US – are now price checking in store. It's clear that shoppers trust their smartphones, and the prices, product info, customer ratings and reviews they can deliver, more than they trust store staff.

This trend flies in the face of the widely accepted wisdom that more and more consumers ROPO. With the desktop you tend to see that this model holds true, and the principle seems to underpin Google's logic for promoting investment in AdWords on the desktop. The classic version of ROPO, shown below for Vodafone based on their customers' desktop online research and purchase pattern may not hold true for mobile.³²



Typical purchase behaviour for mobile phone contracts: Source: Google

³² [Smart Insights: Google ROPO study.](#)

Despite this data not being specific for mobile devices, this is a great way of thinking through your customers' mobile research behaviour and the implications.

Strategy recommendation 15 Understand the pattern of online and offline product research and purchase for your mobile audience

Understand behaviour through research to create a matrix for different mobile devices.

So, with mobile (particularly for smartphone), the dominant ROPO Offline behaviour doesn't seem so common case. Google believes that 17 per cent of shoppers change their minds about product choice whilst in-store as a result of using their smartphone. Check out the range of price comparison apps available to smartphone shoppers: Red Laser, Amazon, eBay, which fuel this trend. Picture the dismayed shop assistants who watch from the side-lines as bargain hungry shoppers touch and feel the products in store, take a photo, check the discount they could get by shopping online and ordering with free next-day delivery service before backing out the shop. The shop itself serves no greater purpose than providing a showcase. We're hearing about more and more instances where shoppers are ejected from shops for using cameraphones in-store for comparison shopping. We see major multiples opening (small) pop-up stores where all transactions are made online

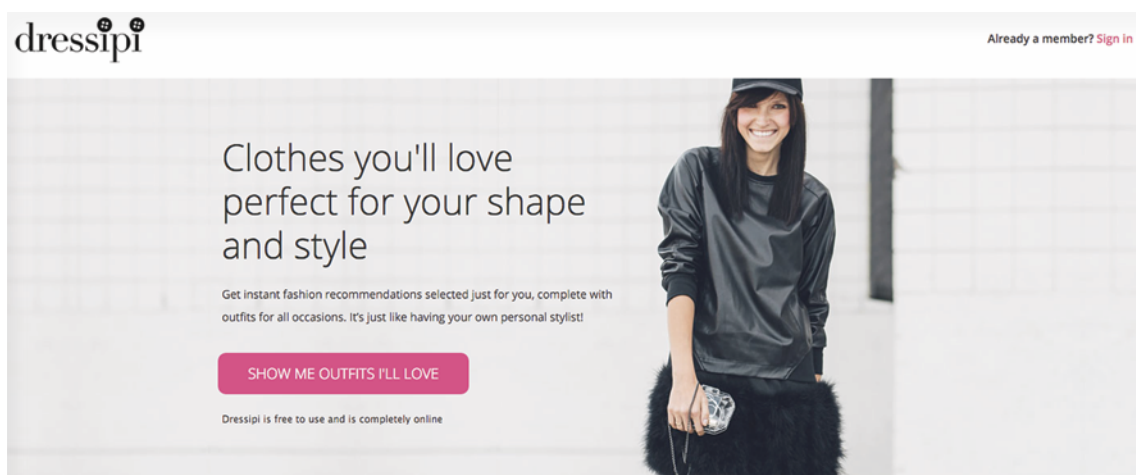
Consumer insights

Feedback from user forums conducted by Cogenta, the retail intelligence specialist serving retailer brands and mobile networks, reveals the value of researching your customers' motivations and attitudes to adopting new technology in the buying process.

Best Practice Tip 29 Gather consumer insight about mobile research and purchase intentions

Use consumer research panels to find out more about consumers' research and payment needs.

User forums show that personalisation assists engagement, but the user's ability to curate their own content is even more impactful. People shop from places they like, regardless of the activity now taking place online. Whether browsing through apps or websites hosting content from multiple retailers, shoppers want access to content from a range of retailers. Dressipi.com is a great example: shoppers select their preferred brands, price ranges, styles, sizes and locations, and their top stylists make recommendations matching their criteria.



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A site showing quick access to interesting, relevant content – that is easy to navigate – drives a greater level of engagement. Forum participants mentioned the following as particularly useful features: ‘What’s New’, ‘Back in Stock’ and ‘Browsing Shopping History’. This feedback also highlights the benefits of using mobile channels to provide ease and convenience, like finding something they like but are not in a position to buy at that point in time, then bookmarking the item to buy later.

This insight confirms our views about ROPO on mobile (see above). Respondents describe how research on their mobiles is easier and more convenient than using a PC or browsing in-store. The convenience of mobile shopping was also highlighted when people would actually see a product of interest in-store but prefer to buy it online (e.g. time pressures, queuing, carrying items home, ease of delivery and returns when ordering online). Some mentioned the ability to scan and save an item so they could order it through the phone or online at their convenience. This was highlighted as a unique benefit of a mobile shopping experience.

It’s worth pointing out the growing number of retail, shopping centre, sports, music, transport and other locations which have installed free Wi-Fi networks to meet mobile users’ growing demand for content whilst out of home.

Reviewing mobile payment options

☐ Q. Have our mobile payment options been reviewed?

Mobile payment ecosystem?

Before we review each payment model it’s useful to be aware of the main players which determine the success of each model. These include:

- ☒ **Banks and credit card companies.** They seek to maintain their hold on the consumer payments market.
- ☒ **Mobile operators.** These also have access to extensive consumer mobile and payment data.
- ☒ **Point of sale tech providers.** Provide the payment security processes, carry real-time transaction data from customers to EPOS and online check-outs to CRM databases, plus detailed reporting.
- ☒ **Mobile payment app and site developers.** Provide the user experiences for over 50 per cent of consumers in developed European, US and Asia markets to conduct ‘mobile commerce’ every day.
- ☒ **Device manufacturers.** Their competitive advantage hinges on delivering ever enhanced device functionality to grow share in today’s cut-throat mobile handset markets.

Let’s assess the mobile payment options available for manufacturers, retailers and other transactional sites. We will use a grid which evaluates their relative success potential based on the following factors. Five stars indicates promising prospects for adoption; one star indicates a significant barrier to consumer adoption any time soon.

Mobile success factors (i.e. if used to optimum effect)	Rating - potential
Ease, speed, convenience, UX	One to Five Stars (5 high)
Trust, Privacy, Security	One to Five Stars (5 high)
Seamless Solution / Data integration	One to Five Stars (5 high)
Scalable	One to Five Stars (5 high)

We look at the five established payment models with a sixth (mobile wallet) getting ready to take off. The six models are:

- ✓ 1. Mobile app payments.
- ✓ 2. Operator (carrier) billing.
- ✓ 3. Payment-specific apps.
- ✓ 4. Contactless payments (NFC/RFID).
- ✓ 5. Mobile wallet.

Mobile payment model #1 – mobile app payments

Apps are a trusted, secure payment channel, and a fertile breeding ground for brands looking to sell product quickly and easily. Worldwide over 100 million of us have iTunes accounts, with registered bank details associated with our accounts.

Apple Pay has overcome security concerns and improves in-app conversion for a fast growing range impulse and considered products, which is driving in-app payments.

Apple announced that gross revenue from the iOS App Store - which now also includes software for the Apple Watch and Apple TV - exceeded \$20 billion for 2015, up over 40% year-over-year. That's 75% more than Google's Play Store.

We estimate Apple generated \$6.3 billion, leaving developers with \$14.7 billion. App makers receive 70% of all store revenue, Apple takes the remaining 30%.

Trusted brands from the gaming, media, entertainment, retail and travel sectors are generating significant revenues from apps.

Mobile success factors (i.e. if used to optimum effect)	Rating - potential
Ease, speed, convenience, UX	★★★★★
Trust, Privacy, Security	★★★★★
Seamless Solution / Data integration	★★★★★
Scalable	★★★★★
Overall	★★★★★

Mobile payment model #3 – operator (carrier) billing

Whilst pre-registered cards are the payment channel of choice for mobile web and app users with solid credit scores, many mobile users do not carry cards, and a significant portion are 'unbanked'. This figure stands at 11 per cent of the US adult population, and over 1 million UK adults.

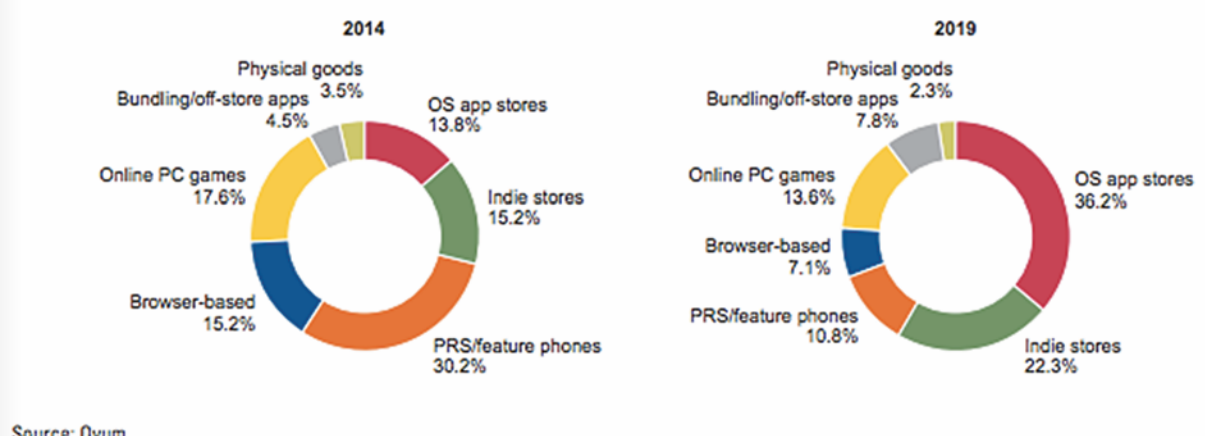
'Operator billing' provides a secure, convenient and speedy alternative – both for the consumer and the merchant. And because nearly everyone has a phone, it opens up an addressable market that covers virtually the whole population of just about every country in the world.

The massive growth smartphone adoption (circa 80% of mobile users in mature mobile markets), in app payments are growing share.

This trend is reflected in stats from Ovum³³

³³ http://www.neomobile-blog.com/wp-content/uploads/2015/05/Carrier-Billing_Whitepaper.pdf

Figure 1: Global carrier billing revenue, percentage split by segment, 2014 vs. 2019



Ovum believes the carrier billing market still has plenty of potential, estimating that the global mobile carrier billing market was worth just over \$14.5bn in 2014 and will grow to \$24.7bn in 2019.

Operator billing deducts a payment from a user's phone bill in a single click. It can be used to process transactions on the mobile web, or in-app. If the consumer is using the desktop Internet, he or she receives a text to validate the payment, clicks 'yes' and the transaction is done. On the mobile web, a single click on the checkout screen is enough to complete the transaction.

As we can see from the split of carrier billing revenue above, payments for app store purchases account for a fast expanding share, largely at the expense of browser-based purchases and purchases on feature phones, which cannot access app stores.

b) PSMS (premium rate messaging)

For pre-pay and mobile contract customers, SMS has proven to be a reliable, immediate, easy two way communication channel for mobile users, whether smartphone or feature phone users. Whilst free messaging platforms have emerged (iMessenger, What'sApp, Viber), SMS still generates vast revenues for the carriers (estimates at \$20 billion each year, globally).

A significant revenue contribution for the carriers is Premium Rate SMS (PSMS), included in the PRS/feature phone segment of Ovum's forecast above.

Operators offer a premium rate messaging service for customers and organisations wanting to take payments from them via SMS. PSMS is used typically by charities taking one-off donations via mobile, for sweepstake 'text and win' competitions, and for TV voting campaigns. In the UK, PSMS promotions are run on shortcodes which command a price premium (i.e. messages sent to the shortcode are charged to the user). PSMS rates range from 10p, 25p, 35p, 50p, £1, £1.50, £5).

Best Practice Tip 30 Consider premium rate messaging (PSMS) for promotions

PSMS can be an effective mechanic for data capture and follow-up related to sales promotions at events or in-store.

A sales promotion for Fosters 'Crack Open and Crack Up' matches the brand's strategy to support comedy events, and is a low-cost method to capture mobile numbers for customers interested in comedy for future promotions. If you're running sweepstakes, you're responsible

for publishing terms and conditions of entry, including conditions of entry (age, cost of messages, opening and closing dates).

Charities have succeeded in using PSMS to reach and secure donations for a new, younger generation of donors who may have been resistant to completing online direct debit mandates, but are prepared to make one-off impulse donations triggered by causes or natural catastrophes. The Sports Relief and Red Nose Day generate many donations via PSMS.

Mobile success factors (i.e. if used to optimum effect)	Rating - potential
Ease, speed, convenience, UX	★ ★
Trust, Privacy, Security	★ ★
Seamless Solution / Data integration	★ ★
Scalable	★ ★ ★
Overall	★ ★

Mobile payment model #4 – payment-specific apps

According to Flurry, the vast amount of app time is spent playing games (49 per cent) and social networking (30 per cent). Apps have become a battleground for the banks and payment providers to provide an additional payment channel to existing customers, or to win over new customers.

Payment-specific apps can be grouped into three categories.

- ✓ **a) Personal banking** e.g. NatWest Get Cash.
- ✓ **b) Person-to-Person payments** e.g. Barclays Pingit and Venmo
- ✓ **c) On-device payments** e.g. Square and PayPalMobile.

a) Personal banking

Most major banks offer these, and require customer log-in to access account balances, check and analyse spend history, and make payments.

The more advanced apps offer additional functionality. The RBS / NatWest Get Cash app allows customers to withdraw cash from an ATM via the app, even if they have forgotten their wallet and card. The app generates a six digit PIN to be inserted at the ATM.

Established banks face an ongoing threat from VC backed challenger banks. The adoption of the Current Account Switch Service (CASS) by many of the leading high street banks creates an inter-bank mechanism which allowed users to switch more easily than ever before. When coupled with the recent online and mobile banking revolution, which sees [9.6 million people log into their accounts everyday](#). A focus on better User Experiences of the challengers. One bad experience can lead to an impulse decision to change banks: between [April 2014 and March 2015 alone there were 1.14 million switches](#).

Not only do banks have to worry about their traditional market rivals stealing away customers, new pure-play online banks such as Mondo, Atom and Simple have arrived ready to storm the market with compelling digital offerings that promise to make customers' financial lives more simple and secure.

b) Person-to-Person payments

Pingit, launched in Barclays in 2012, was Europe's first person-to-person service for sending or receiving money via your mobile. Pingit lets customers sort out IOUs quickly, easily, and securely. The app uses industry standard encryption, and is automatically wiped from the phone if the user reports his or her phones lost or stolen.

Venmo, founded in 2009, began as a payment system through text message. As the peer-to-peer (P2P) economy has grown, Venmo has capitalized on the opportunity by introducing the platform as a social network in itself. Venmo has been acquired by PayPal.

c) On-device payments

For those, like my friend who runs Zumba classes each week and would prefer to take card payments rather than carry bags of cash, two rivals provide on-device B2B and B2C payments: Square and PayPal Mobile.

Twitter co-founder Jack Dorsey set up Square to enable anyone to take credit card payments on smartphones. Users simply attach the white 'Square' to the Apple and Android device and insert the card to the Square. The card transaction is verified and validated via secure connection. Apple and Android charge a 2.75 per cent commission for each swiped payment.

In the other corner, PayPal Here allows businesses to take payments using a similar, though blue and triangular credit card reader device which is plugged into the smartphone's headphone jack. The card data is encrypted before transmission, and the customer receives email confirmation of the transaction.

Mobile success factors (i.e. if used to optimum effect)	Rating - potential
Ease, speed, convenience, UX	★★★★
Trust, Privacy, Security	★★★
Seamless Solution / Data integration	★★★★★
Scalable	★★★
Total	★★★★★

Mobile payment model #5 – contactless payments (NFC/RFID)

There's intense interest and investment in this one from all the parties in the mobile payment 'goldrush': banks and building societies, the mobile operators, point of sale tech providers, mobile app and site developers, and device manufacturers. The stakes are high – the prospect of contactless payments brings the potential for making margins on hundreds of millions of transactions, and real competitive advantage in winning and retaining customers.

Contactless payments are enabled via Near Field Communication (NFC), a set of standards for smartphones and other mobile devices to establish radio (RFID) communication with each other by touching them together or bringing them into close proximity, usually no more than a few centimetres. Contactless payments are just one of the data exchanges enabled by NFC technology, which requires a second chip ('tag') to be installed in the handset.

NFC's use for mobile payments, whether person-to-person or with retailers, is now accelerating as trust in mobile payments increases.

There are three main consortium partners in the mix:

- ✓ **Visa and Samsung payWave**. This joint NFC wireless payment system launched in London for the Olympics. Some 3,000 wireless payment terminals were installed across Olympics venues, allowing Visa customers to make contactless transaction. Samsung,

one of Visa's fellow Olympics sponsors, showcased its NFC enabled Galaxy SIII handset at the Games.

- ✓ **Barclaycard and Orange Quick Tap.** One of the most high profile NFC services on the market, Quick Tap was launched by Barclaycard and Orange, allowing Barclays debit and credit card customers to make payments using their handsets using NFC. The limit for single payments was increased is now £20 to meet growing customer demand, and retail outlets now accepting Quick Tap include McDonalds, Subway, EAT and Pret a Manger and a growing number of restaurants and transit networks.

Mobile success factors (i.e. if used to optimum effect)	Rating - potential
Ease, speed, convenience, UX	★★★★
Trust, Privacy, Security	★★★★
Seamless Solution / Data integration	★★★★★
Scalable	★★★
Total	★★★★★

Mobile payment model #6 – mobile wallets

We've left this one to last because whilst it promises to have the most radical transformation to consumers' shopping behaviour, it's also early stage.

For mobile wallets to take over physical or online (PC) payments and become a part of an end-to-end consumer experience, the process has to be more convenient and as user-friendly and secure as the traditional payment options.

Research from analytics outfit Aimia indicates that consumer appetite for digital wallets in Europe is growing. The findings show 31 per cent of the 24,000 Europeans surveyed say they are likely to use a digital wallet on their mobile device, five percent up on the previous year.

Adoption is gathering pace, thanks largely to Apple Pay.

Apple Pay



Apple Pay acts as a digital wallet, and works with users' payment, loyalty and reward cards on the devices they use every day: iPhone, iPad and Apple Watch.

Apple users add their cards either by entering them manually, or by scanning them with the device's camera. Apple Pay can be used securely for purchases in-store, online and in-app.

To pay in-store, users just hold their Apple device near the contactless reader with a finger on Touch ID. Personal information is not stored on the device, and never transmitted or shared with merchants, which makes Apple Pay a secure and private way to pay.

Apple Pay works with the majority of US issued credit and debit cards, and is expanding to other parts of the world. UK consumers the ability to make payments using iPhone, Apple Watch and iPad at over 400,000 contactless locations in the UK, across the London transport network as well as when shopping within participating.

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Google Wallet

Google teamed up with Citi Mastercard as its credit card partner. Users can also select a Google Prepaid card. As you'd expect, connectivity sits at the heart of the Google Wallet offer, with Google Offers synced automatically to the handset. Users can lock their Google Wallet with a secure PIN.

Google Wallet is available as an app which securely stores your customers' credit cards and offers on their phones. When they checkout at brick-and-mortar stores that accept Google Wallet, they can pay and redeem offers quickly just by tapping your phone at the point of sale.

Google Wallet is also a web-based solution. The online service stores credit cards in the cloud. When your customers checkout at online merchants that accept Google Wallet, they can quickly pay by signing into their Google Wallet accounts.

MasterCard PayPass Wallet

MasterCard, the payments processing network, unveiled PayPass Wallet, designed to enable banks and retailers to harness the expected growth of electronic payments. PayPass is a unified network enabling merchants to accept digital payments made by consumers either electronically in store or online, using a smartphone, tablet or PC. MasterCard will offer services to help retailers, banks and tech companies to build digital wallets and let other parties plug their digital wallets into the PayPass network.

Mobile success factors (i.e. if used to optimum effect)	Rating - potential
Ease, speed, convenience, UX	★★★★★
Trust, Privacy, Security	★★★
Seamless Solution / Data integration	★★★★★
Scalable	★★★★★
Total	★★★

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Mobile CRM and mobile coupons

☐ Q. Have we defined our customer personas?

Winning loyal customers requires a detailed understanding of their preferences and needs, a firm grasp of their ever-changing purchase behaviour, and forensic attention to competitors' product lines, pricing and value-added services.

Smartphone usage is a major force for this change. Online retailers and low-cost competitors will gain share, basket spend and profit when established retailers fail to keep up on the technology front.

Best Practice Tip 31 Build mobile personas

A core component is the use of over Mobile Personas – pre-defined groups of users that share some key attribute and can be used for audience targeting

The main advantage in using personas is that marketers are starting with a group of users whose characteristics or behaviors give a good indication they'll want to engage with an app or site. When you know more about their audience, they can connect directly with the right customers, delivering relevant messages en masse. A few examples of key personas include brand lovers, time-short urbanites, routine loyalists, deal seekers, household budgeters, bargain hunters, sports enthusiasts.

☐ Q. Are we using multiple data sets to build segments?

Building on personas, marketers can create audience segments using data from any source, whether it is a client's or third party data. By overlapping different characteristics such as demographics, location, intent, recency, etc, one audience segment can be created from multiple data sources.

Mobile IDs tie this all together. Regardless of the types of data being used, mobile IDs are the consistent link between them. These IDs, specifically Apple's Advertising Identifier (or IDFA) and Google's Advertising ID, are a much more reliable tracking method than the cookies that are predominantly used on the desktop. Not to mention, cookies don't exist in-app on mobile, and that's where people spend a vast majority of their time.

If you're going to effectively engage audiences throughout the customer journey, then you need to tailor your marketing to their specific situation. This means refreshing your audiences regularly - ideally on a daily basis - to be sure users are continually being bucketed into the right audience segment and stage of the journey.

Building loyalty through mobile has never been more important, developed through all stages of the purchase cycle. In this section we apply the RACE model - Reach, Act, Convert, Engage – to tackle mobile CRM.

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Stage in purchase cycle	Consumer need	Mobile deployment
Reach	New product launches, appointment reminders, in-store or online sales alerts.	List growth via opt-in to enable push SMS, MMS and in-app notifications, triggered by purchase history, time or location, targeted ads on mobile sites or in apps.
Act/ Interact	Information gathering on product, price, store location, discounts, offers. In-home, out-of-home, in-store.	Activation of mobile channel through Pull SMS, action code, freephone number responses to Above The Line media, email, on packaging, in-store. Mobile search.
Convert	Secure, easy payment, access to online and plastic card loyalty schemes.	Web-based payment, app payments, operator billing, payment-specific apps, in-store mobile coupon redemption.
Engage	Advocacy through reviews and ratings, warranty schemes, loyalty programmes, sharing via social media.	Mobile-optimised sites and apps for comparison sites, links to Facebook and Twitter sites and apps.

Reach

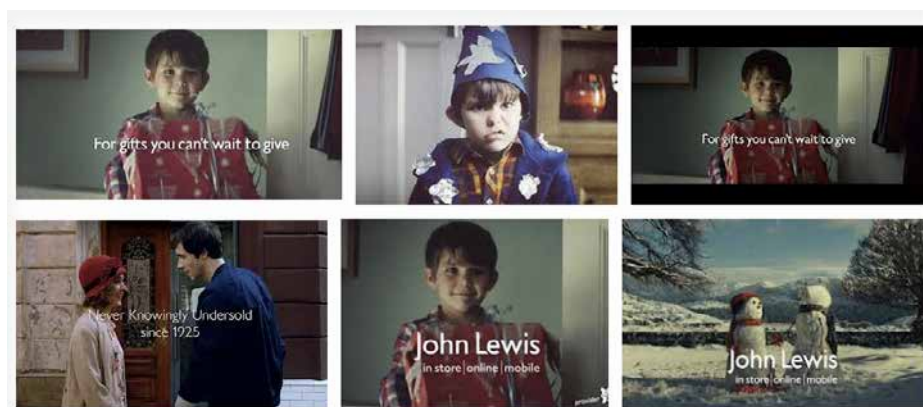
Q. Have options to increase mobile contacts been reviewed?

Consider different techniques based on push and pull marketing – first increasing awareness of a brand's mobile services and the value they offer, then encouraging action via mobile. According to Google, 17 per cent of mobile users have changed their mind about purchasing a product or service in-store as a result of information gathered using a smartphone.

Mobile is the 'glue' linking the online and real world because consumers' phones are always to hand. The most effective mobile CRM programmes leverage opted-in subscriber groups, recruited via digital and offline media promotions. Meanwhile, location-based services serve to drive footfall in-store.

You should create prominent opt-ins to your mobile sites and apps, and create mobile response to above the line and in-store marketing. While digital sales channels, led by mobile, are generating high-margin growth, the lion's share of retail transactions – up to 85 90 per cent for some retail sectors – still takes place in store. Step 7 looks at ways to use geo-targeting to drive footfall to stores and venues.

John Lewis and Waitrose have established a clear and consistent mobile presence, promoted prominently through other media channels. In traditional TV ads, John Lewis emphasises this by giving three key signposts - in-store, online and mobile - alongside campaign or brand messages.



John Lewis instore:online:mobile call-to-action

Developing a plan to increase mobile opt-ins

☐ Q. Have we developed a plan to increase mobile opt-ins?

Whether it's email, direct mail or mobile messaging, direct communications are important to customer relationship management. However, using mobile for CRM requires careful planning around opt-in.

Strategy recommendation 16 Build an opted-in mobile loyalty database

Obtaining quality customer coverage through mobile marketing won't happen by accident – it needs a concerted effort to capture mobiles from relevant touchpoints.

The best route is building your own opted-in mobile database, utilising existing above the line, below the line and other digital channels.

A mobile call-to-action on other media provides a real-time barometer of your customers' awareness, liking and response to other media. Naturally, this response path won't delight some creative and media agency partners who would rather not see their advertising and media held to account with such precision, but the responses speak for themselves!

Mobile case study – the M&S mobile data strategy

M&S resisted investing in mobile until they were satisfied that their loyal customers, largely non-smartphone users, would welcome mobile communication on their handsets. Such was the degree of trust between M&S and its customers that its first tentative steps in mobile followed, on a trial basis.

M&S developed a fully-integrated multichannel strategy to building its mobile database, which now exceeds one million customers.

Best Practice Tip 32 Use shortcodes to obtain opt-in

Featuring shortcodes prominently in a range of media to obtain opt-in is still an effective technique. These should be linked to email in the customer record where possible.

Mailshots carried unique codes which respondents were invited to text in to a dedicated M&S shortcode in order to win loyalty points. In the process, M&S harvested 'opted-in' mobile numbers matched to existing customer records. The same logic applied to email addresses to append mobile numbers for existing customers.

M&S also use bespoke landing pages to obtain opt-in, clearly stating the benefits of their mobile text alerts.

In another approach to acquire new customers, mobile numbers and permission, M&S carried SMS and QR code calls to action on press ads inviting readers to respond via SMS/QR code to qualify for time-based offers. Social media is a significant driver of traffic to the M&S mobile services.

This chart summarises the range of activities used by M&S to drive list opt-in.

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free text alerts

Sign up today and enjoy these fantastic benefits:

- free text alerts delivered straight to your mobile phone
- get to know about special events, great offers and sales
- offers & news relevant to you, when you need them - at the shops

Fields with * are mandatory.

Mobile Number* UK mobile numbers only (e.g. 07123456789)

Title*

First name*

Last Name*

Gender*

House Number:

Postcode:

To also receive news & offers via email please provide your email address below:

Email Address:

Terms and conditions

Signing up to this service will allow you to receive text alerts on our offers, promotions and discounts. To opt out just text STOP to 65006. Receipt of texts sent by M&S as part of the M&S text alert service will be free unless a roaming charge is incurred or a data download charge is made by your network. The data you provide will be added to our marketing database and will be used in accordance with our Privacy Policy. By signing up to this service you confirm that you are 18 years of age or older. The cost of each sign up text will be that of a standard rate message. M&S is not liable for mobile operator errors.

© 2013 Marks and Spencer plc

M&S website SMS opt-in

Act

□ Q. Have we reviewed our options to encourage customer interaction through mobile CRM?

This step involves encouraging mobile, and other digital and real-world interactions that deepen an initial relationship through the lifecycle.

These can be interactions with other users or interactions with online services that deepen an initial relationship through the lifecycle.

With mobile screen resolutions this can be even more of a challenge than with the desktop since user experience (UX) is critical in mobile. Whether in-home, in-transit or in-store, mobile users have a smaller screen, a small keypad and no mouse to navigate your site. To maximise the number of shoppers and prospects who transition from the Reach to Act stages, retailers must ensure the user experience is easy and seamless.

Strategy recommendation 17 Identify which mobile interactions fit the purchase cycle

Brands should create subtle mobile interaction points that complement other connection points.

With reference to different examples, this section examines each of the activation behaviour:

- ✓ Encouraging a search.
- ✓ Using the store finder.

- ✓ Ordering a catalogue or brochure.
- ✓ Accessing a gift finder.
- ✓ Using a barcode of Augmented Reality scan option.
- ✓ Rating or reviewing a product.

To gain an idea of the type of interactions involved with ACT, take a look at this example.

The John Lewis mobile site prompts visitors to search for a product by keyword, product code (when they have been viewing an ad or catalogue) or shop name. This is an efficient approach since no separate prompts are needed for product or storefinder. A 'hamburger' menu offers short cuts to other features, including a link to 'My Account', and 'Download our App'.

John Lewis invited customers to test the beta version of its site³⁴, before launch, and added new features, including Gifts, Special Offers and Top sellers, Click & collect and My Wish List.

The site invites customers to sign up for 'my John Lewis', the loyalty scheme. This offers customers a physical card, sent by post with rewards like gift vouchers to redeemed in store, free eye tests at local branches, to drive footfall in store. If you're looking to replace physical cards, my John Lewis is also available through the app, which will be used to deliver targeted offers based on customers' profiles and shopping history. A really neat addition is 'Kitchen Drawer', which gives users instant access to all receipts and guarantees for products purchased in store and online orders.



³⁴ <http://m.johnlewis.com>

Supporting multichannel customer journeys through mobile

To be best placed to support customers it's best to plan for the future. In its study '*The Future of Shopping*', commissioned by The Marketing Store, the Future Foundation sets out a vision of what might happen in the retail world over the next 25 years. Here are the key predictions:

- ✓ The bricks-and-mortar of the high street will not be drastically altered.
- ✓ Technology will change fundamentally the way shoppers behave at the point of sale.
- ✓ Retail will be a multi-faceted experience relying on experimentation, inspiration and immersion.

Mobile plays a central role in the main themes identified in the study.

- ✓ **Theme 1 – data as currency.** Data will be the foundation of personalised seamless shopping experiences. Our mobile phones make detailed customer profiles and loyalty card data portable, connecting the online and in-store worlds. As explained in the mCoupons section which follows.
- ✓ **Theme 2 – 'Me-tail'.** The ability to personalise all aspects of the shopping experience – from the product itself, to pricing and customer service – will be a fundamental aspect of future retail landscape reflecting individual shopper needs. Early trials by Starbucks demonstrate the power of mobile in helping the shopper to place her specific order while in traffic on the bus, present her phone to the barista on the head of the fast-track collection point, make the payment and top up her loyalty account without having to wait in line or find her purse.
- ✓ **Theme 3 – Re-humanisation of shopping.** In a world dominated by screens and new technology we will see more human contact and ways of experiencing the retail world. Shoppers will seek excitement and discovery and a major way of doing this will be engagement enabled via technology.
New Look's flagship store in Dublin is a great example. Shoppers try on their favourite fashions, have their photos taken, appear on interactive in-store screens then share their favourite poses with their social networks via mobile.
Another great example from Renault, which equipped dealerships with 7,000 iPads loaded with its configurator, creating a new action point for customers to engage with the car at the dealership whilst the salesman prepares the test drive.
- ✓ **Theme 4 – The Try Street.** What we know today is the local high street will look like a series of highly stimulating and engaging testing outlets, where shoppers seek out, touch and feel the products they're interested in, but not necessarily buy. The high street becomes the 'Try Street'.
This trend reverses the ROPO hypothesis. More and more consumers Research Offline Purchase Online, and use their smartphones for comparison shopping. 84 per cent of UK shoppers now use smartphones in-store³⁵ to compare prices and read product reviews (up from 19 per cent in 2011).
A survey by OnDeviceResearch reveals that 74 per cent of respondents would be happy for a retailer to send a text or email with promotions while they're using in-store Wi-Fi.

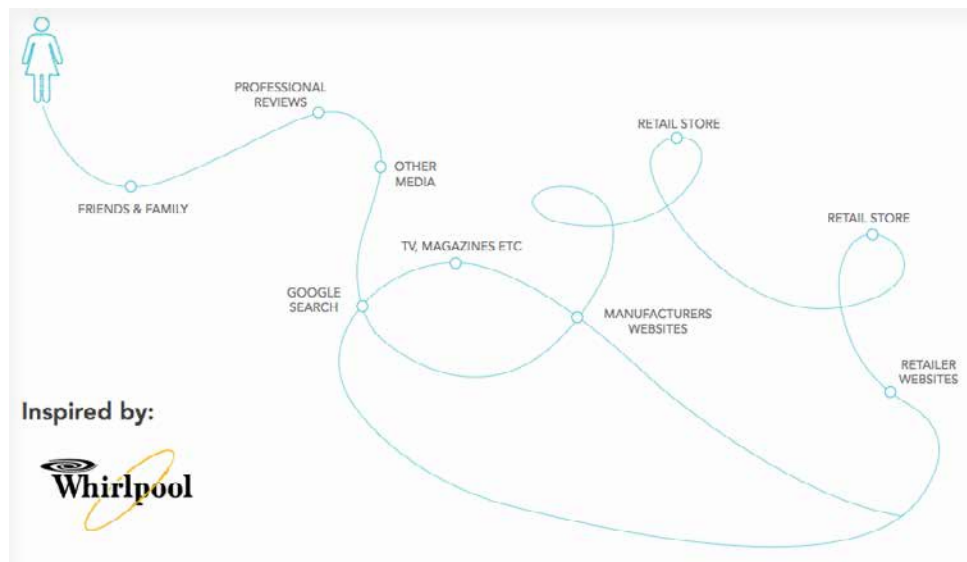
An example of reviewing customer journeys

This example, for Whirlpool kitchen appliances, shows the reference points a female, time short urbanite shopper will check before making a high consideration purchase. This is not always a linear process!

³⁵ http://www.javelingroup.com/blog/four_ways_to_drive_retail_in-store_sales_through_mobile/

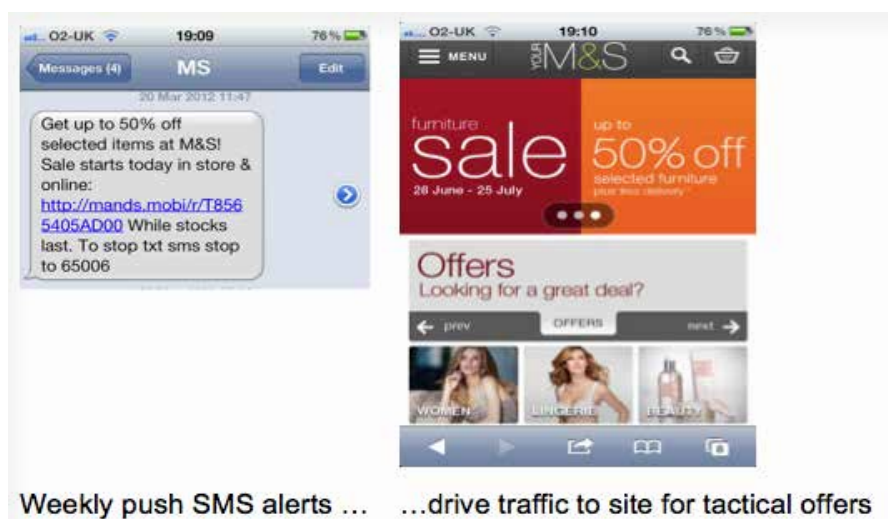
Erica, the shopper persona, will be influenced by the views of family and friends, and take personal recommendations. She will engage in professional reviews on JD Power and other sites, she'll visit Sears, Lowe and other retail stores to 'touch and feel' the product, before checking retailer and manufacturer websites, whether on her PC, tablet or mobile phone, and spot kitchen ads and promotions in other media. No doubt she'll use search engines throughout the process, which may take several weeks or even months.

Retailers wanting Erica's custom must ensure her purchase journey is frictionless: sites carrying the product info, reviews, ratings and pricing must be quick and easy to access, load and share.



Typical customer touchpoints involved in a purchase

M&S sends weekly push SMS alerts to its opted in CRM database promoting tactical offers in order to drive traffic to its new mobile site, or to drive footfall to members' nearest stores.



Weekly push SMS alertsdrive traffic to site for tactical offers

M&S mobile campaigns

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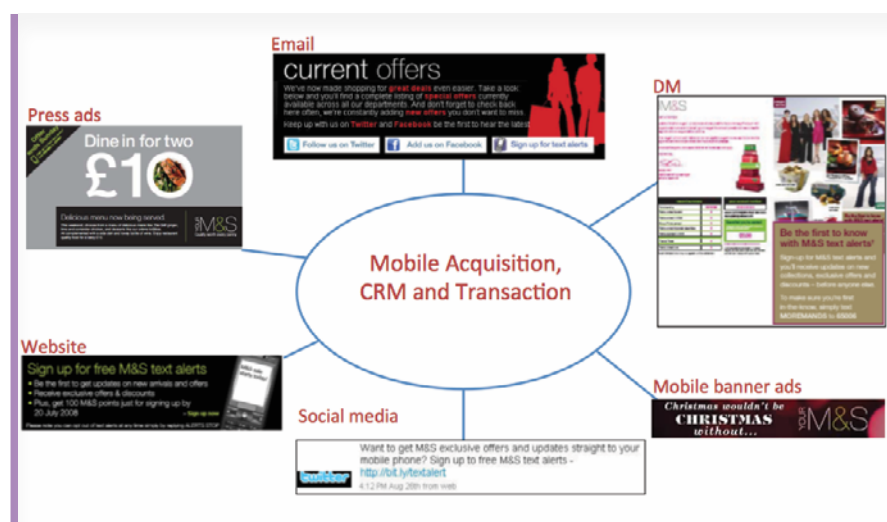
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M&S sees a major spike in mobile site traffic during prime time TV. This is not surprising when you consider that 86 per cent of us engage in 'dual screening', interacting with TV ads on our mobiles. This is true for mobile phones, and particularly true for tablets: according to the IAB, over 50 per cent of all tablet use takes place whilst watching TV. And tablet users spend 4.26 hours per week shopping, on their device.

The message for the consumer is simple: if you want the product advertised, use your phone and tablet to get on the site and buy instantly, while stocks last, rather than remembering to go in-store on the next shopping trip and be disappointed to find your size/colour is not available.



M&S mobile campaign example

The press ad carries a time limited offer, available only through SMS response, to stimulate responses. Respondents reveal their mobile numbers, and give their permission to receive offers linked to the 'Dine in' offer. The bounceback SMS confirms the originator, the £10 offer, a clickable (and trackable) link, and the opt-out option. The mobile optimised landing page presents details of the offer. Respondents arriving on the landing page allow M&S to detect the precise handset type, which allows for various forms of content to be presented, in the correct format, or suppressed.

mCRM case study – Micro-targeting mobile users for iPhone upgrades in Sweden

When iPhone5 launched in Sweden, TeliaSonera sought to segment its user base to target them with offers relevant for each target group: existing iPhone users, other smartphone users due for renewal, users wanting their first smartphone. Working with mCRM specialist Bosbec AB, they devised an automated targeting campaign to sustain demand for the iPhone5 launch.

Ola Rådström, Head of Online Sales at Telia, commented:

'Our multi-channel mCRM service combines interactive mobile web content, dynamic app messaging, SMS and e-mail, ensuring prolonged demand for the iPhone5, which outstripped supply.'

The solution involved:

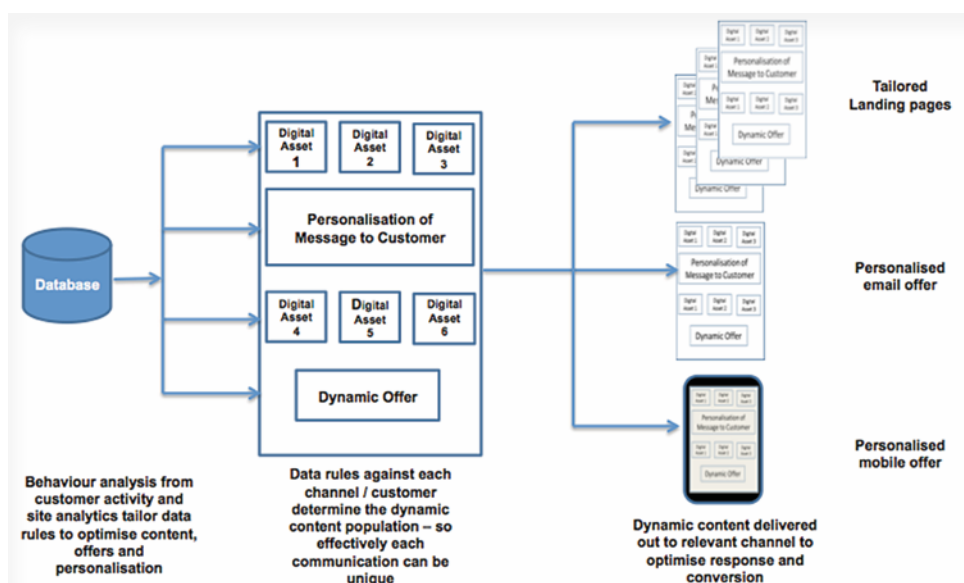
- ✓ Micro-target profile – mobile users showing interest last year in iPhone
- ✓ Mailshots carrying SMS response call to action for latest product news.
- ✓ Follow up out-bound SMS alerts with more iPhone news.
- ✓ Questionnaire sent via email or SMS with link to mobile site asking where they wanted to buy the iPhone (store, web, on-mobile, customer centre, via resellers), date iPhone required, current handset used.
- ✓ Responses to questionnaire were tagged in order to tailor an offer to the customer.
- ✓ Telia encouraged prospects to order the phone directly via their mobiles and collect from Telia stores.

Driving traffic to mobile sites with specific landing pages

□ Q. Have specific landing pages been developed for mobile?

In the examples we have seen, visitors arrive on the home page or where the search delivers them.

Creating a personalised landing page is a great investment. This is obvious: the more personalised the site, or app, the more you will be rewarded with engaged browsers, longer dwell times, higher levels of conversion and sharing. As mentioned at the beginning of this section, this requires identifying the unique ID of your customers, fusing multiple data sets and setting rules to present personalised content and offers to the page.



Convert

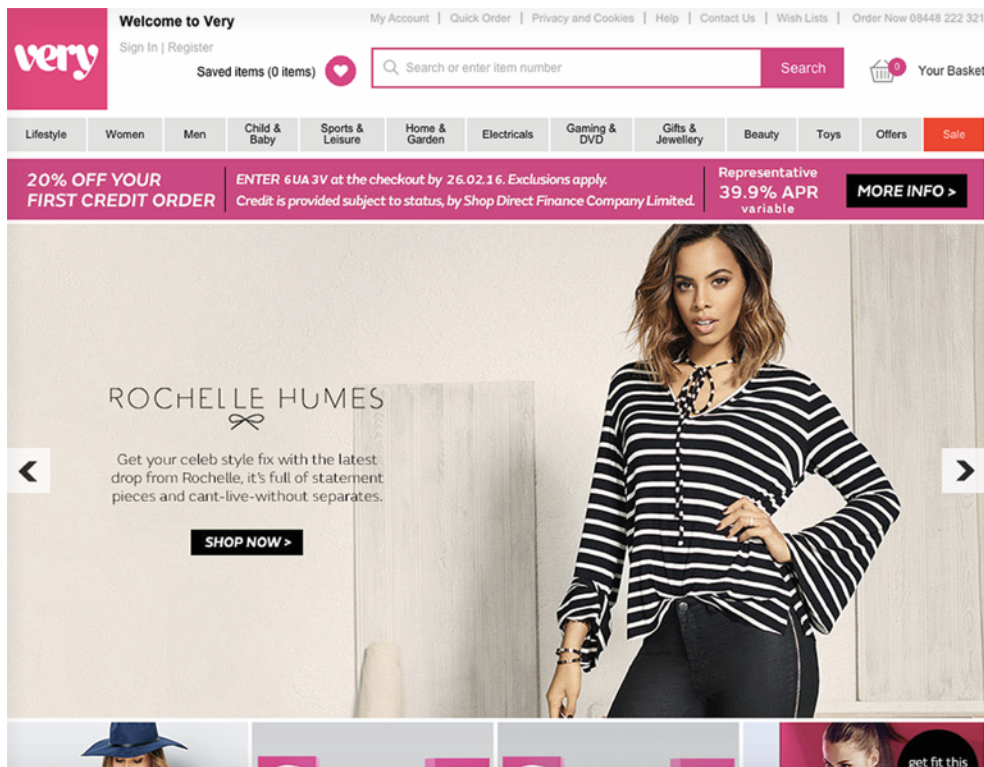
Brands should ensure a smooth transition from Reach and Act to Conversion to sale. In this context, we take a close look how to maximise conversion or site, in app and through coupons.

Mobile landing pages

It's clear that personalised landing pages have a massive impact on conversion.

Shop Direct, the UK's second biggest online retailer has 4 million customers. Their core target market is aspirational 20 – 45 year old women. Shop Direct is tracking 1 million visits a day, with 63% of online sales completed on mobile devices.

Having analysed 40 years of customer data Shop Direct has modelled different customer profiles and launched an industry leading personalised online shopping strategy. To date, the retailer has developed 1.4 million variations of its homepage, which has delivered a four fold increase in conversion. The number of personalised homepages will increase to 3.6 million in 2016.



Very.co.uk – one of 1.4m personalised homepages
(note, this one on desktop)

Boosting in-app conversion

Understanding customer intent in-app helps brands build in the features which will get most regular usage, and drive in-app conversion.

App commerce specialist [Poq Commerce](#) evaluates the performance of 23 popular app features carried on leading global retailers which are hosted on its platform, including House of Fraser, boohoo, Blue Inc and Radley.

Based on analysis of over 750,000 app sessions each quarter, Poq's analysis shows which features drive revenue, increase order values and increase purchase likelihood across three categories: general shopping, in- store, and personal and social features.

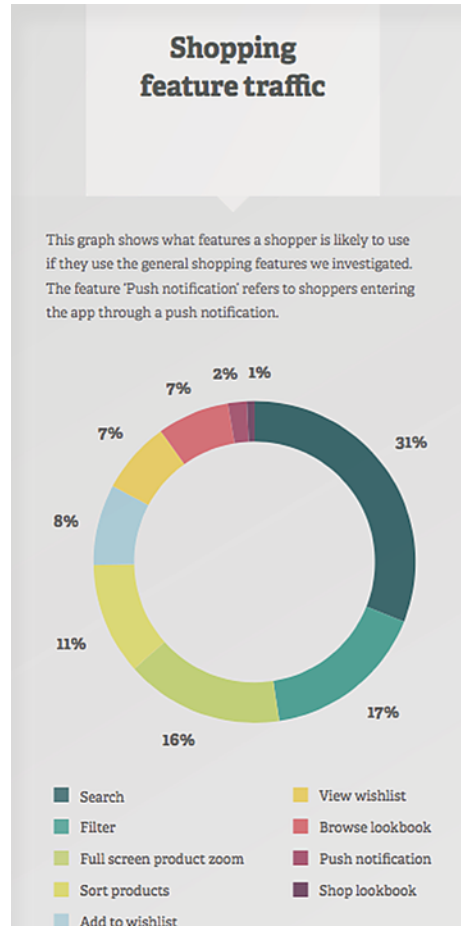
When benchmarked against the average app shopper, shoppers that used the investigated features below were more likely to make a purchase and spent browsing their apps.

- ☒ Filter function
- ☒ Full screen product zoom
- ☒ View reviews
- ☒ Show loyalty card in-store using app

- ☑ Social media sharing
- ☑ Store stock checker

Poq in-app features driving engagement and conversion

This graph shows what product features a shopper is likely to use when considering products.



We pull out two examples.

Search and filters

The search and filter functions are by far the most popular general shopping features. Customers who use search and **1.7 times more likely to make a purchase, and spend 2.4 times** (6:06 minutes) longer browsing.

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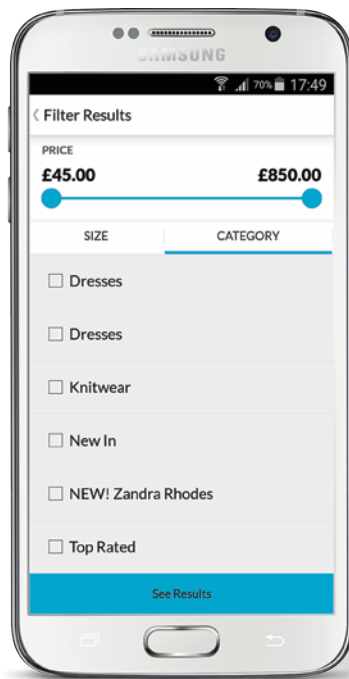
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Shoppers using the filter function are **1.8 times more likely to make a purchase, and spend 2.8 times** (7:30 minutes) longer browsing.

Adding a personal search history to your search feature will remind shoppers of items they were looking to buy. For retail brands, this could include using filters for many different product attributes, including colour, size, price and item type.

Big spenders value lookbooks.

Shoppers browsing lookbooks are 56% less likely to convert than the average shopper, but they drive the steepest average order values and (4:08 minutes).

Someone who browses a lookbook might take longer to commit to a purchase, but they will spend around twice as much as the average shopper.



☐ Q. Have options to use mobile CRM to increase conversion been reviewed?

Brands should ensure a smooth transition from Reach and Act to Conversion to sale. In this context, we take a close look at how mobile will reinvigorate one of the oldest loyalty tools of

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them all – coupons – with personalised, time and location sensitive offers, providing a lifeline to embattled High Street retailers. Fifty-nine per cent³⁶ of shoppers surveyed say they want them, but the industry is yet to develop scalable redemption infrastructure.

Using mobile coupons to encourage conversion to sale

Q. Has our mobile coupon potential been reviewed and implemented?

We argue that mobile has the potential to transform this under-utilised loyalty channel. Mobile coupons are personalised, time and location sensitive. A key point of difference with mobile couponing is tracking redemption, and attributing sales to the coupon. Mobile changes this by providing the data necessary to attribute sales to couponing activity in real time. From the perspective of consumers, retailers and tech providers, we evaluate the pros and cons of the three main redemption methods: keyed entry, scanning and NFC to project adoption trends and the likely impact on retail sales.

The options for mobile coupon redemption

There are three main methods to be aware of that we will explain in this short briefing:



- 1. **Keyed entry.** Keyed entry provides the path of least resistance. Shoppers simply key in their unique coupon number to the chip and PIN machine after entering their PIN number. The coupon number is validated and the coupon redeemed. Both retailer and brand share the detailed data trail revealing the origin of the coupon (e.g. response to poster, press ad, online competition, SMS or in-app push notification), and real-time reporting, linked to EPOS data.
- 2. **Scanning.** Scanning can be effective but requires an expensive hardware upgrade. Traditional infra-red scanners are able to scan paper coupons, but will be inadequate for scanning mobile barcodes, as the phone's screen bounces the beam. Instead, retailers require DDS scanners which use a different scanning software. The best examples we have seen are in the US. Some merchants accepting Groupon offers on shoppers' handsets use handheld scanners to scan, validate and redeem 'Groupons' for a range of goods and services which merchants send in order to stimulate footfall during day-parts when custom is slack, or to run tactical promotions on product lines without resorting to 'sales'. From the shopper's perspective, the scanning solution makes sense and takes all the

³⁶ Orange Exposure 2 survey.

hassle out of the redemption process. On many occasions Rob has witnessed mobile users in Chicago, Groupon's home town, present bar staff with their mobile phone carrying the Groupon voucher, and seen said bar man or woman, usually the picture of perfect customer service, revert to pen and paper to write down the details before tapping them into the till. This is a clunky end to an otherwise smooth coupon transaction.

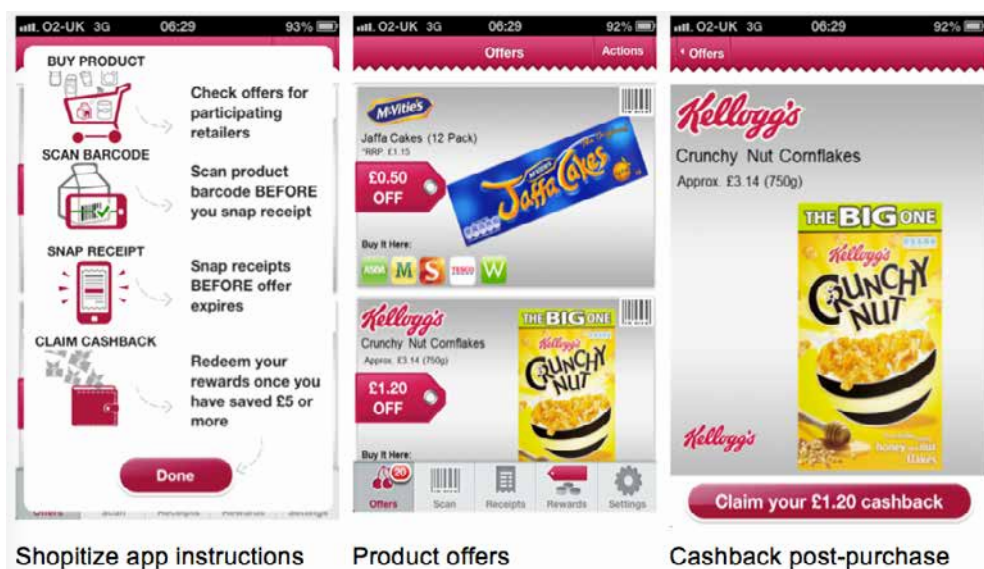
- ✓ 3. *NFC*. We have already looked at NFC in Step 5. It's worth saying here that NFC promises to transform the mobile coupon industry, but we must consider carefully the barriers to adoption – for the retailer in installing NFC terminals, and for the consumer in learning and trusting this channel.

The jury is out on whether how consumers will adopt NFC. There's a sizeable faction of well-informed and well-respected mobile commentators who believe NFC means 'Not For Commerce', or another three letter acronym I won't spell out. Few doubt NFC will triumph in revolutionising mobile loyalty programmes.

Direct to consumer – By-passing the retailer during coupon redemption

A recurring theme from researching this topic is the need for the product manufacturers to deliver a user-friendly couponing solution which can be scaled across multiple retail distributors. Until the in-store infrastructure is in place to handle mass-market couponing, FMCG or Fast Moving Consumer Goods have been exploring other solutions.

Shopitize is a brand-to-consumer cashback mobile couponing service, which launched in November 2012 with Kellogg's and United Biscuits as launch partners. A pilot group of over 2,000 shoppers in Britain received deals from the two companies' brands, as of today, and for the next six weeks. In the pilot phase, the deals offer consumers savings of up to 50 per cent off standard retail prices.



Shopitize coupon redemption

To get the offers, shoppers download the iOS or Android Shopitize app, sign up to the service, and then receive offers direct to their mobile phone. They then head to the supermarket, buy the goods, scan the pack to ensure they have the correct pack size/flavour that the offer relates to, and after checking out, take a photo of the till receipt. The consumer

must photograph the entire receipt: a 'stitch' function within the app enables the consumer to take photographs of different sections of the receipt and then stitch them together.

The photo of the receipt is then uploaded to the Shopitize mobile platform via the app, where it is validated.

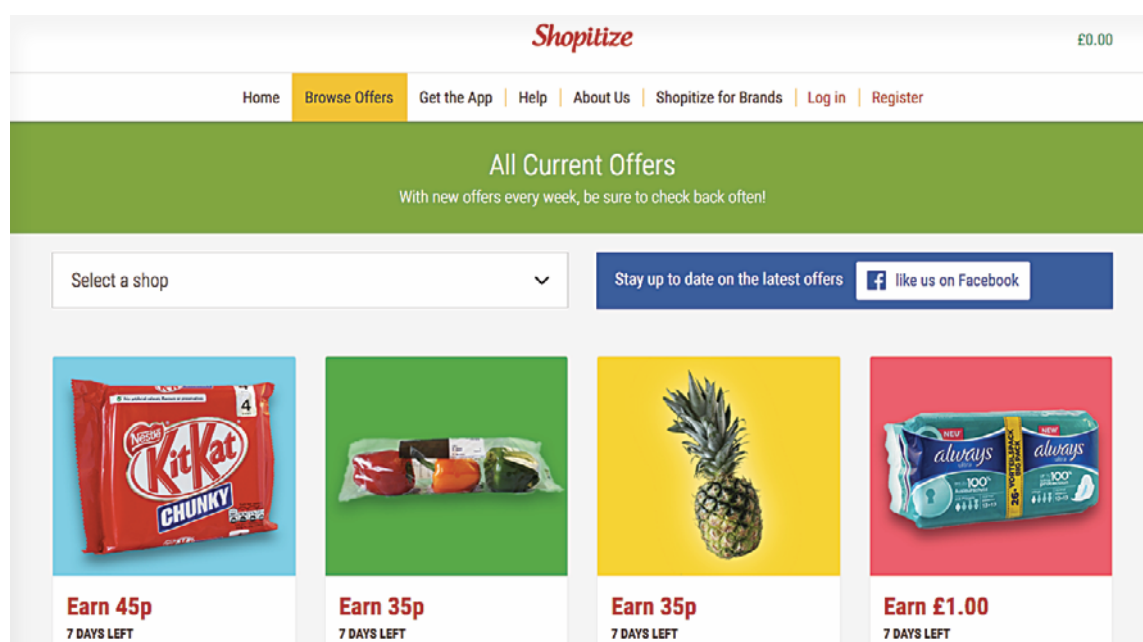
Importantly, the retailer plays no part in the redemption process, so there is no need to scan a mobile barcode or enter an equivalent reference code at the till. And users must purchase the product before being able to redeem the cashback, unlike most coupon promotions which are offered to incentivise purchase.

Consumers are rewarded by cashback, either by PayPal, cheque or BACS payment, and can request a cashback payment once their savings balance reaches £5.

The success factor for this and other mobile couponing solutions is the user experience.

Sam Blunt, Brand Experience and Digital Controller for Kellogg's UK who was involved in the trial, commented: *'Kellogg's aims wherever possible to embrace and support innovation that could enhance the shopper experience. Mobile technology is becoming more and more integrated into our everyday lives, and Shopitize is the first mobile couponing system we have seen that has the potential to operate right across the retail trade.'*

'Success [for Shopitize] rests on a slick & easy user journey, followed by consumer uptake.'



Many industry experts share the view that retailers hold the key to unlocking the full potential of mobile coupons. Neil Cooke, CEO of Response Group, comments: *'When it comes to the biggest issues affecting FMCG couponing, namely mis- and mal-redemption, there is a belief that mCoupons are the panacea. This is not strictly speaking accurate, as the missing element is real-time point-of-sale validation of coupons. Once retailers accept that it is in their long term interest to implement POS validation of coupon promotions, the opportunities for couponing in general, and mobile couponing in particular, will be enormous.'*

Engage

- ☐ Q. Have we reviewed our options to develop loyalty, improve service and develop advocacy?

Companies delivering seamless mobile solutions through the Reach, Act and Convert stages are rewarded with longer-term loyalty. To maximise ongoing engagement and positive referrals, focus CRM communication around running trials, measuring, learning and adapting in the quest for continual improvement.

Strategy recommendation 18 Not putting multichannel contact policies in place

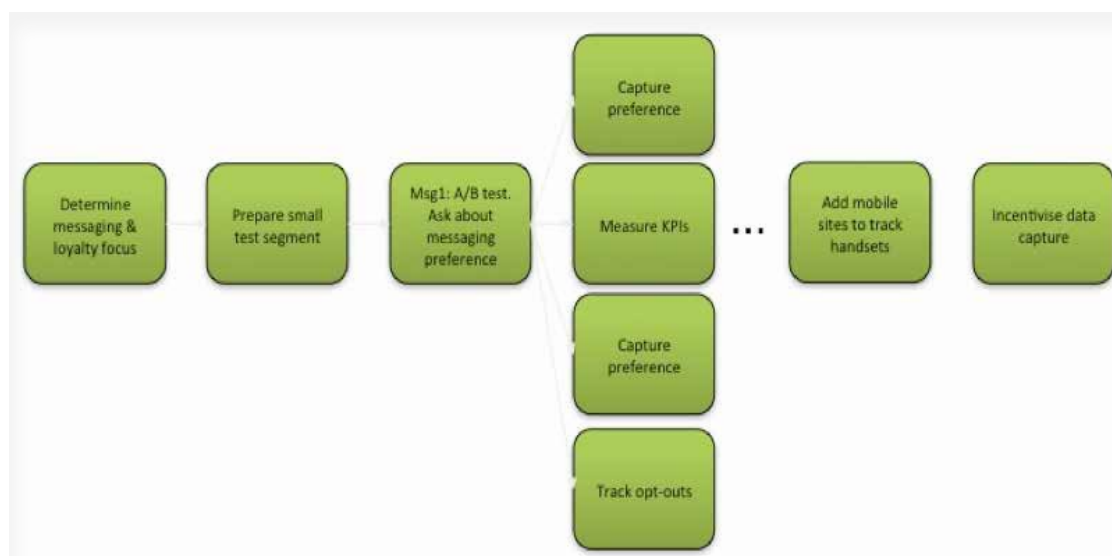
We see that often the right business rules are not put in place to support messaging whether that's email or mobile messaging. This limits the capacity for relationship building through mobile messaging.

Key issues to consider within contact strategy are:

- ✓ **Messaging policy rules**, for example frequency of messaging or in-app push notifications.
- ✓ **Event-triggered emails**, for example balance between automated, event-triggered messages versus campaign-related messages for both SMS and in-app push notifications.
- ✓ **Use of welcome or onboarding strategy**, for example coverage of SMS and QR codes activations, app download, use of location-based services and social media activity.
- ✓ **Behavioural mobile messaging**, for example messaging related to purchase, store visits or abandoned baskets.
- ✓ **Reactivation strategies**, for example messaging and email to engage lapsed users.
- ✓ **Testing messaging effectiveness**, using targeting, frequency and creative.

Case study – the use of CRM messaging by M&S

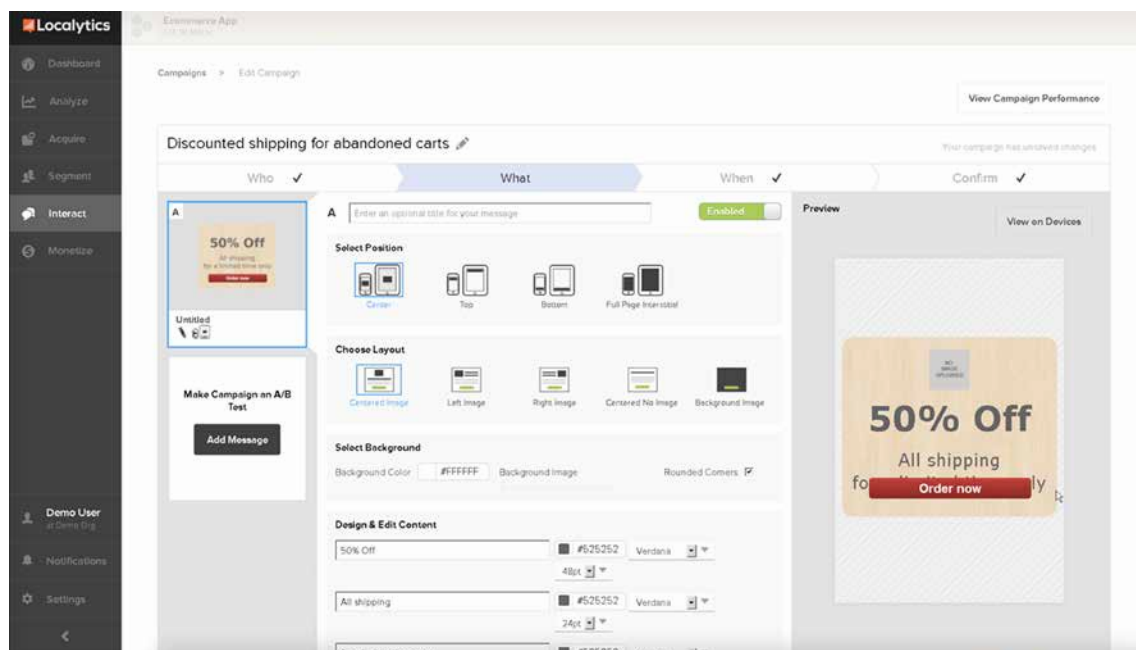
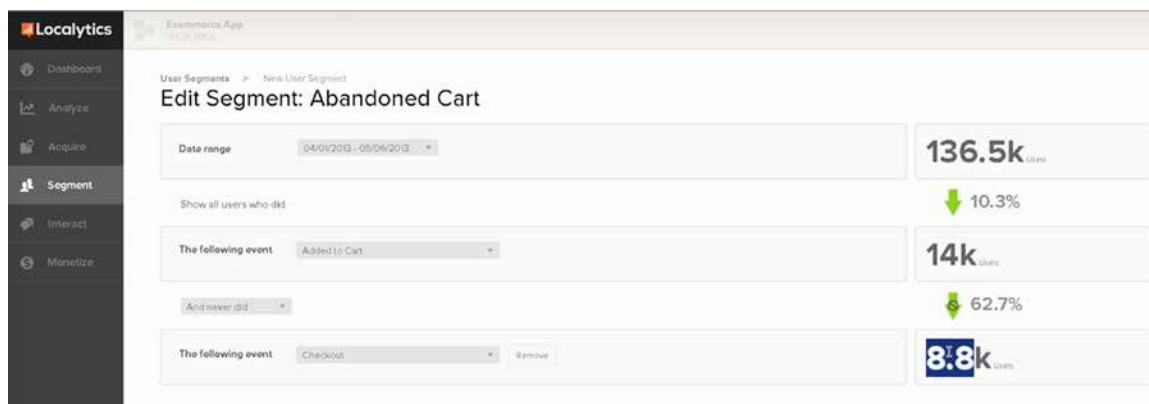
With reference to testing and adapting, M&S has developed a sophisticated and responsive process in managing its CRM messaging service. A/B and multivariate testing is conducted on each and every SMS and MMS messaging execution, with tested variables including copy, image creative, time and day of transmission, and frequency. Messaging frequency translates into significant shifts in opt-out rates.



Testing, measuring, learning, adapting

Testing, measuring, learning, adapting

In app tracking provides essential insight to help brands identify where interventions are needed to avoid break points in the customer journey. Tracking tools like Flurry, and Localytics will detect drop off points, for example, abandoned cart. You can then target those app users with specific offers to encourage task completion.



> CRM channels

As consumers we like to know which brands feature the best range of products, competitive prices, and the most knowledgeable sales staff. Mobile phones empower us to check what others think by viewing ratings and reviews online, on mobile sites and in apps.

Key Strategy Recommendation 19 Push notification best practice

Once a consumer gives permission to engage via push notifications, brands must deliver value to build a relationship. Ensure notifications are timely, relevant, useful and delightful, factoring in consumer preferences, location, behaviour, and location history. Push notifications have been shown to boost app engagement by 4X and app retention by 2X.

Push notifications

☐ Q. Have we reviewed our options for using app push notifications?

In this section, we've focused on opt-in to traditional SMS text messaging for CRM, but if you have a mobile app you need to think about encouraging receipt of push notifications too. Unlike SMS messaging, which requires users to opt-in to receive messaging, app users can be reached with highly targeted push notifications without the need to get approval, thereby creating a more frictionless CRM experience.

In-app notifications also serve to remind users that they have already downloaded the app, and prompts them to use the app more regularly, realise its utility, and prolong its lifetime on their handset. This tackles one of the major challenges we looked at in Step 3 in keeping the app front of mind.

Best Practice Tip 33 Review the potential of app push notifications

In-app push notifications enable you to deliver relevant messages within the context of use whether that's current location (if collected), stated preferences and purchase history.

Improving mobile-based customer service

☐ Q. Have we reviewed mobile-based customer service options?

Delivering customer service via mobile platforms is increasingly important with many mobile users now looking to obtain customer service when they are away from their fixed desktop connections.

Strategy recommendation 20 Developing mobile self-service capabilities

Although discussion of mobile marketing naturally focuses on increasing leads and sales, mobile service quality shouldn't be neglected.

Start by reviewing the types of mobile web service that customers are already using as described earlier in this section. The use of store-finders and standard post-sales enquiries such as order tracking, delivery and returns are part of this web self-service activity. Whether it's a mobile-optimised site or app it's important that it's easy to access these post-purchase 'top tasks'. Don't hide them in a complex FAQ that only works on the desktop device.

It's important to assess the quality of satisfaction ratings of mobile users across all of these post-purchase activities since they're important to encouraging repeat purchase.

Best Practice Tip 34 Review satisfaction for post-sales customer service

Mobile users will have different requirements for service and will be using different platforms so it's important to check that these customers are satisfied. Use advanced segments in mobile analytics to understand the most popular post-customer decisions.

Long-term success in mobile hinges on truly understanding your customer's needs and his or her mobile behaviour and motivations across the customer lifecycle.

B2B customer decision journey

For B2B brands purchase cycles are typically longer than for B2C, and there are many decision makers in a purchase, post-purchase. A study by McKinsey shows the importance of experimenting with different CRM channels in combination to maximize sales.

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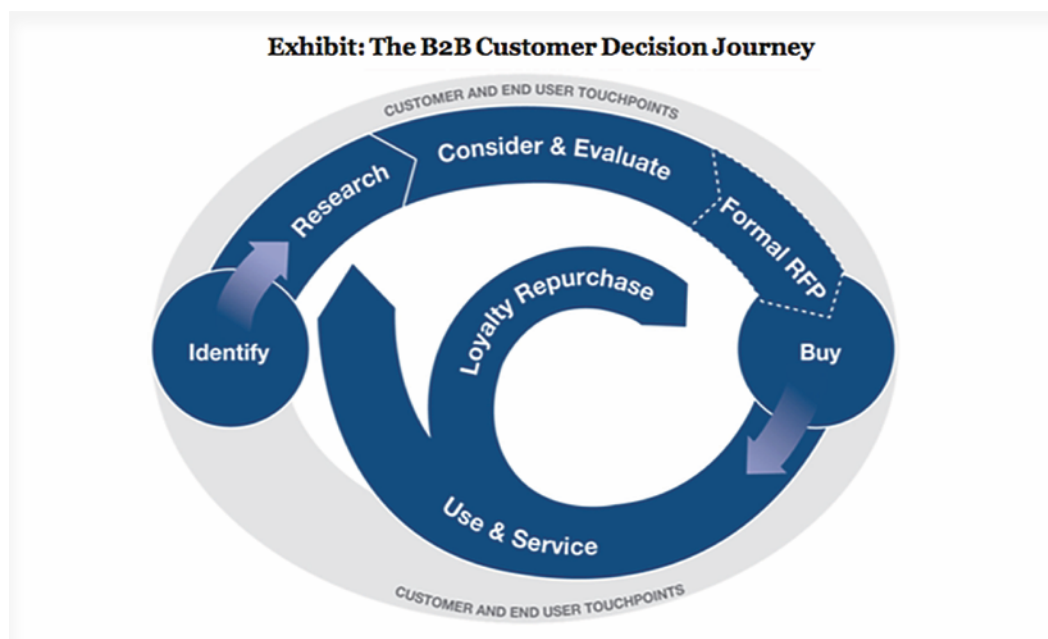
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For example, email was far more effective when preceded by a personal telephone call or direct mail.



Business surveyed showed the importance of taking pre-emptive action to lock sales in earlier in the process, and forestall customers from shopping around.

Checking email marketing is effective on mobile devices

❑ Q. *Has email marketing been effective on mobile devices?*

We've talked a lot about how SMS and push notifications can be used to offer promotions and coupons. Email marketing is still really important as a customer contact method, with more opted-in to email than mobile typically. It's important to review this too as part of your mobile strategy for completeness.

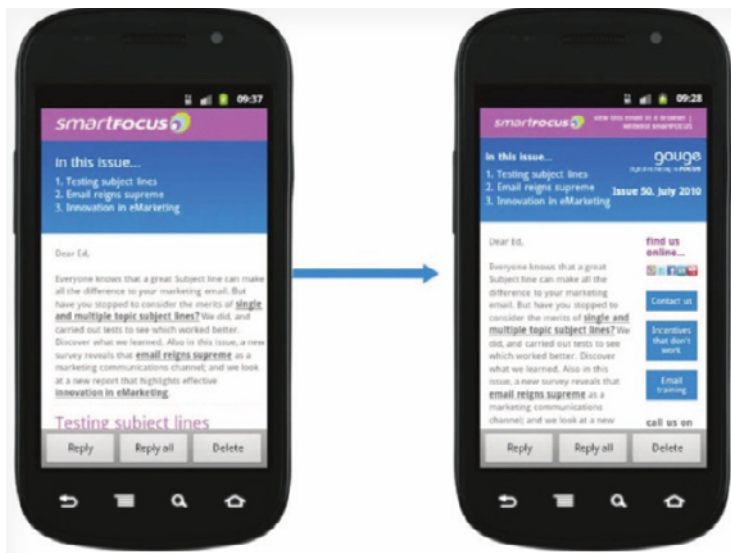
Strategy recommendation 21 Review effectiveness of email on mobile devices

You need to make sure your emails highlight the offers clearly on mobile devices and review the opportunities for couponing redeemed in-store via mobile devices.

You can create separate versions of your email for HTML and mobile in your preference centre and then let people choose between the two. But most won't select their preference, so a more common approach is to actively target recipients who your analytics or email software indicates are using a mobile, then send them the 'mobile-optimised' version.

Fortunately Internet-enabled phones now include browsers and email clients that are based on the WebKit rendering engine, which has fantastic HTML and CSS support. This includes the iPhone, Android devices, webOS and the most recent versions of Microsoft Windows. This is an example of the approach. You can read more about how this is achieved through media queries.³⁷

³⁷ [Overview of media queries.](#)



An example of email with media queries delivering a Responsive Design

Best Practice Tip 35 Use Responsive Design and media queries in email

So design and code an email that works on the desktop, and you can be fairly certain that it will render faithfully on all these devices.

Kath Pay, co-founder of email marketing consultancy Plan to Engage and Smart Insights blogger, argues that email and mobile marketing must work in concert. Mobile consumers have voted with their usage: between 20 and 60 per cent of your database will be reading your marketing emails on their mobile device.

The obvious challenges are designing for smaller screen and keeping the multi-tasking consumer engaged, e.g. reading your email whilst continually checking to see whether the train is arriving or the plane is departing. And, of course, not forgetting the rendering challenges for the multiple devices. Kath's blog post³⁸ summarises the seven tips to improve your email for mobile, with a strong focus on UX – particularly designing for touch and designing for instant interaction.

Targeted offers/coupons

The personalisation of offers is critical to getting a greater level of engagement from mobile consumers. Primarily this is because people want offers that are relevant and personal to them and dislike irrelevant, impersonal, mass offers.

For example, if an advertiser has a total audience of 30,000. After applying targeting filters, the planned promotion would only be relevant to 3,000 of the total audience. The temptation here is to send the promotion to the whole original data list and aim for quantity. However while the analytics will show a potential uptake of 10 per cent of the audience (3,000 that the offer was relevant to), the advertiser created a negative impression on the 90 per cent of its audience (27,000 customers).

Eagle Eye gives an example from their mobile shopping app which currently hosts two types of offers:

- ✓ The first type is 'Retailer Offers'. They are the usual coupon/voucher codes currently available on the market at any given time. These are displayed within the app and not targeted, accessible through the browsing process.
- ✓ The second are highly targeted offers, we call them 'MyOffers' in the Scope app, which consumers receive based on their shopping activity and geographical locations. For example, if a consumer has been shopping for DVDs and a bricks-and-mortar retailer has a sale on DVDs, even specific segments or titles, we can deliver the offer just to users who looked at that particular DVD.

The average open rates of the 'Retailer Offers' are 13 per cent. The 'MyOffers' process will deliver an offer based on the user's shopping behaviour and location through an in-app push notification and achieve average open rates of 50 per cent. That's a 37 per cent higher engagement.

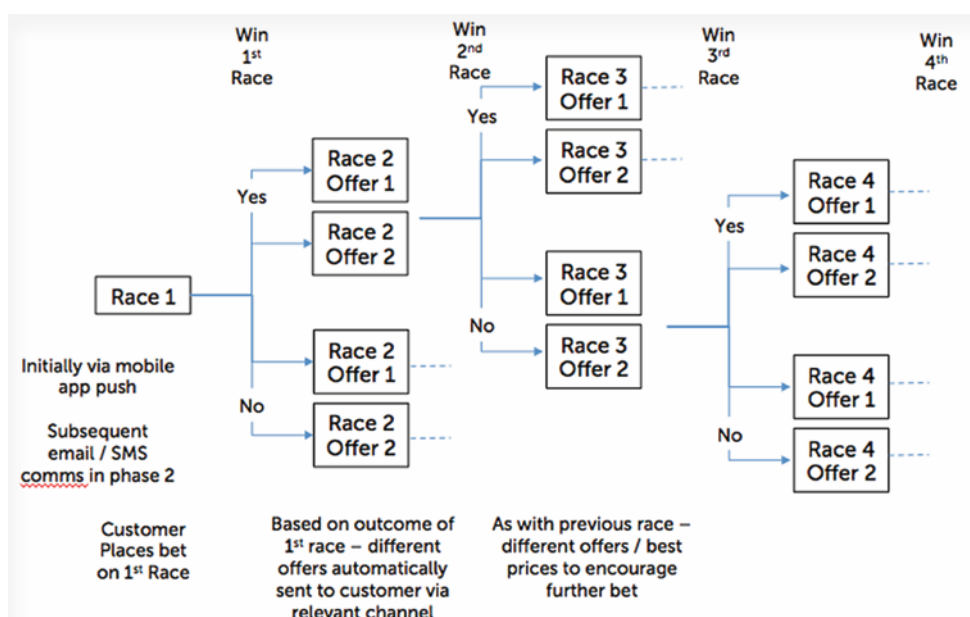
It's important for mobile conversion to link the offer to the products it applies to. This enables a consumer to receive the offer, open the offer and choose the product they want to buy. At this point they are then taken to the product page on the retailer's mobile site. The targeted offers process drives click-through rates of 28 per cent. Targeting of offers and coupons significantly increases engagement and loyalty because advertisers only deliver content that consumers want to see.

As this example shows, long-term success in mobile hinges on truly understanding your customer needs and his or her mobile behaviour and motivations across the customer lifecycle.

Realtime CRM

We have set out the case for contextual CRM programmes to match mobile users' persona type, browsing history and purchase intent. As database integration becomes more sophisticated, we're seeing a rapid shift to realtime CRM. Rather than waiting for batch files to load in 24 hour cycles, customer data can be updated in near realtime to drive more relevant and targeted loyalty programmes.

For time sensitive activity like gambling, this fast data capture and processing ensures the right offer is sent to the right customer, which will maximise usage and ROI.



SEVEN

Integrating mobile, local and social

□ Q. *Are we taking advantage of Location Based Marketing?*

Steven Spielberg's movie 'Minority Report' opened our eyes to a new digital age, where recognition technology helped brands to reach out to consumers with geo-targeted, personalised ads. The film first sparked my real interest in mobile marketing.

I wondered whether Tom Cruise, aka John Anderton, could switch a preference to select only his favourite beers, and block the messages he hadn't opted to receive. If so, this heralded the Holy Grail for marketers: an opted-in, permission-based marketing opportunity, providing rich consumer data, allowing for location- and time-sensitive messaging to drive sales.

Today this vision is reality, where the GPS-enabled smartphone provides the digital conduit.

With users' permission - major caveat! - Location Based Services (LBS) allows websites and apps, like Maps, Camera, Weather, use information from cellular, WiFi, Global Positioning System (GPS) networks and Bluetooth to determine your approximate location.

For example, an app might use your location and your recent location searches to help you find nearby coffee shops, cinemas, and restaurants. Another app might use your location data to provide a list of popular apps in your immediate area. The technology is there in every smartphone and the multitude of other connected devices.

Location based services (LBS), presents a massive opportunity for marketers to provide customers with highly targeted messages and ads which trigger increased awareness, footfall, sales and long-term loyalty.



The critical question for all mobile users is to present a clear value exchange to reward them for sharing their location data. If I'm allowing brands to use my location data, will that

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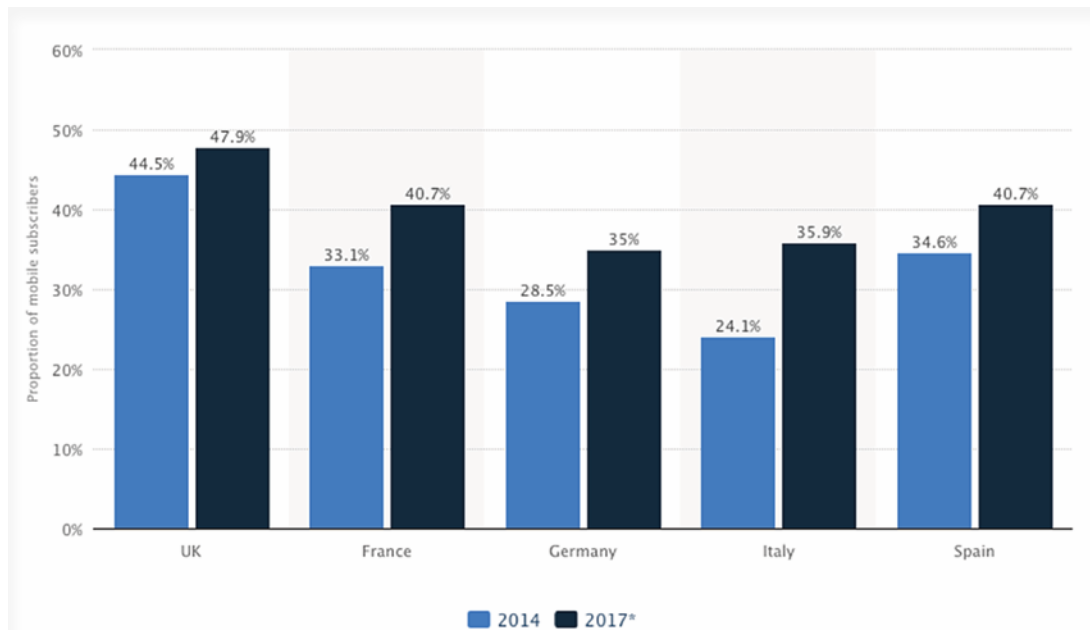
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unleash a slew of random content I could do without, or will it unlock valuable information and inspiration that enrich my life, saving me time and money?

Growing numbers of mobile subscribers across Europe are positive on this one – with the United Kingdom ranked first for current location-based service usage at almost 50%.



Source: Statista

These figures look conservative. According to Olivier Ropar, eBay's Senior Director for EU Mobile, 70 per cent of their mobile users said 'no' to location data in 2011, but over 70 per cent now say 'yes'.³⁹

In this section, we show that LBS marketing will be a vital ally for retailers and other bricks and online businesses seeking competitive advantage, and B2B organisations seeking targeted ways of reaching customers where and when they're most receptive.

What is it? Location based services (LBS)

Mobile services that adapt messages and options based on location. LBS marketing covers a range of services delivered to consumers through their GPS-enabled mobile devices, through cellular mobile or Wi-Fi networks or Bluetooth enabled iBeacons which identify the geographical position of the mobile device.

Key decisions businesses must make when adopting location based services:

- ✓ Privacy issues surrounding LBS.
- ✓ Consumer usage of LBS.
- ✓ Strategic role of LBS in marketing.
- ✓ Creating, delivering and monitoring offers and coupons.
- ✓ Integrating location and social marketing.

³⁹ [eBay customer research](#)

Think smart users, not smartphones! Users make use of their mobile based on their context.

Mistake to avoid 22 Not supporting the most common customer journeys

Some customers Research Online, Purchase Offline. Others do the reverse. Think how your apps and mobile sites support these key ROPO behaviours.

Location based marketing plays a central role throughout the customer journey, beyond the initial mobile search, extending into locating stores, receiving location-based advertising, in-app push notifications, and mobile coupons, which can be delivered via multiple mobile channel. Here are some examples of relevance across the RACE customer touch points.

Customer journey stage	Mobile formats	Data captured // insights
Reach/Act	Mobile search	Devices used for search, informs SEO and PPC AdWord campaigns
Reach/Act	SMS, QR code, visual watermark Call to Action on offline and in-store media	Mobile numbers and 'opt-in' permission; effectiveness of each medium e.g. press, poster, Point of sale media in generating response and inform future media planning
Reach/Act	Mobile advertising	Click-through data informs performance of mobile ad networks
Reach/Act	In-app push notifications	Engagement with offers by device, time and location. Informs future offer strategy
Convert	Mobile site and app	Time and location of transactions. Effect of other media channels used
Convert	Mobile coupon	Time and location of redemption. Effect of other media channels used
Engagement	Facebook connect, Twitter feed	Likes, follows, comments, conversations, ratings, reviews, retweets

Location based marketing is a vital ally for bricks-and-mortar retailers in fighting back against online retailers. Online retailers have also been quick to grasp the value of location data. Throughout this section, we will look at examples of both 'pull' and 'push' LBS marketing.

What is it? Pull and push local mobile examples

'Pull' examples are initiated by the mobile user where they have a specific need for a local service. 'Push' examples are initiated by the service provider, with the mobile users' prior consent to send a message or notification.

How location-based services can support business goals

Google estimates that 85 per cent of UK mobile users seek local information via search on their mobile, and 81 per cent take action after looking. How can we translate this demand for local services into business value?

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Location-based services plays a central role throughout the customer journey, beyond the initial mobile search, extending into locating stores, receiving location-based advertising, in-app push notifications, and mobile coupons, which can be delivered via multiple mobile channels.

Managing the permission issues surrounding LBS marketing

☐ Q. Have permission options for location-based marketing been reviewed?

Respecting consumer privacy sits at the heart of all mobile marketing. This is especially important in the context of LBS marketing. Many consumers are wary about the 'Big Brother' connotations of tracking technology, so brands must communicate clearly their LBS value proposition, and build trust with customers.

Best Practice Tip 36 Get consumers' explicit permission to use their location

Up to 70 per cent of mobile users will now say 'yes' to receiving location-based information. Reassure and explain the benefits in a compelling way.

Whether communicating via SMS, mobile advertising, mobile sites, apps or third-party loyalty partners, brands should always state precisely how they intend to use customers' location data. This is vital in building trust in the service, and allaying fears about misuse of location-based data to trigger unwanted messaging.

The keys steps include a check box requesting consent to use their current location, and terms and conditions, which mobile users should accept before using the service.

Consumer usage of Location based marketing

The key point to remember is that mobile technology enables today's smartphones and tablets to perform a vast range of services. But the commercial success of any one function depends on consumer adoption. Location based marketing promises immediate potential for mass scale because today's mobile users have already understood and accepted the clear benefits derived. The willingness to use LBS differs greatly by type of store, but the monthly activity in malls is high.

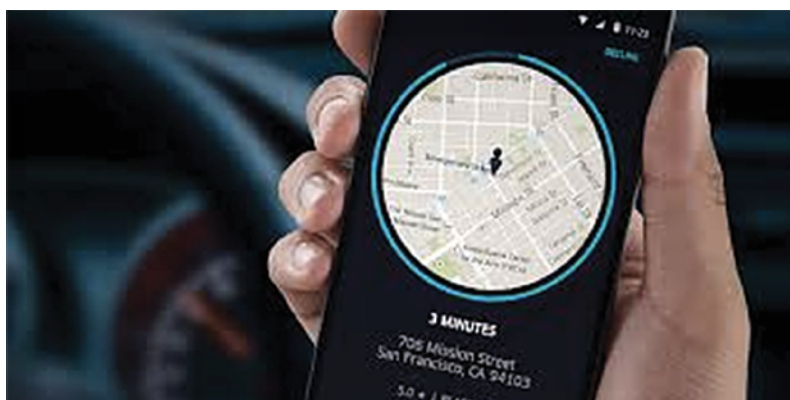
Here are a few use cases of effective services.

Uber

You'd be hard pressed to find a Location based commercial success story to match Uber. The business embodies all the mobile success factors we've addressed through this guide – excellent design and user experience, speed, secure payments, rating and reviews.

The app serves both the end customer and driver. Users of the app may rate drivers; in turn, drivers may rate users. A low rating may reduce the availability and convenience of the service to the user. The app also handles all payments ... Uber is cash free.

managing all payments. At the time of writing, Uber is winning 500,000 new customers a month; in New York Uber drivers out-number licensed cabs by a factor of 5.

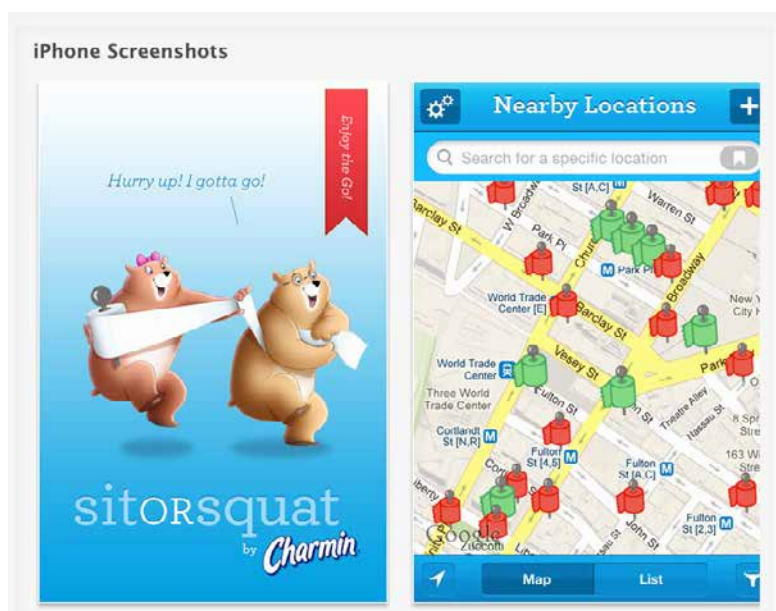


Underpinning the service for passenger and driver, the real value of Uber lies in the immense volume of location data captured and shared. Monitoring usage patterns, Uber predicts passenger density during peak periods, which allows drivers to congregate where there will be most demand. Result? Faster pick up times, less congestion.

Environmental benefits? 'UberPool' matches riders with another rider who is traveling in the same direction—the app will share the first name of the other rider and who is getting picked up first. If a match cannot be found, riders are offered a discount on a regular Uber trip. Uber's popularity had spawned new revenues by leverage its network of drivers to deliver online food orders, courier packages, reducing the volume of vehicles on the roads.

Sharing location data - Find my nearest toilet

Sit or Squat, an existing service which plots public toilets on a map provided an excellent tactical opportunity for P&G to create a branded app for its Charmin toilet paper brand.



Sit or Squat Bathroom finder in 10 different countries – 100,000 bathrooms worldwide

The 'Sit or Squat' bathroom finder app features 100,000 'bathrooms' in 10 countries, plotted on a map within the app. Users of the service are invited to rate the bathrooms based on cleanliness and user experience.

Dewayne Guy, External Relations Manager at P&G, comments: *'Sit Or Squat is the perfect partner for us ... we're not going to reinvent the wheel by creating this application. We found somebody out there whose mission matches ours. It creates the perfect partnership.'*

Pull and push messaging

We raised the issue of consent, and ensuring mobile users have trust that the location data will be provide a valuable information. Let's look at the techniques and technologies you can use.

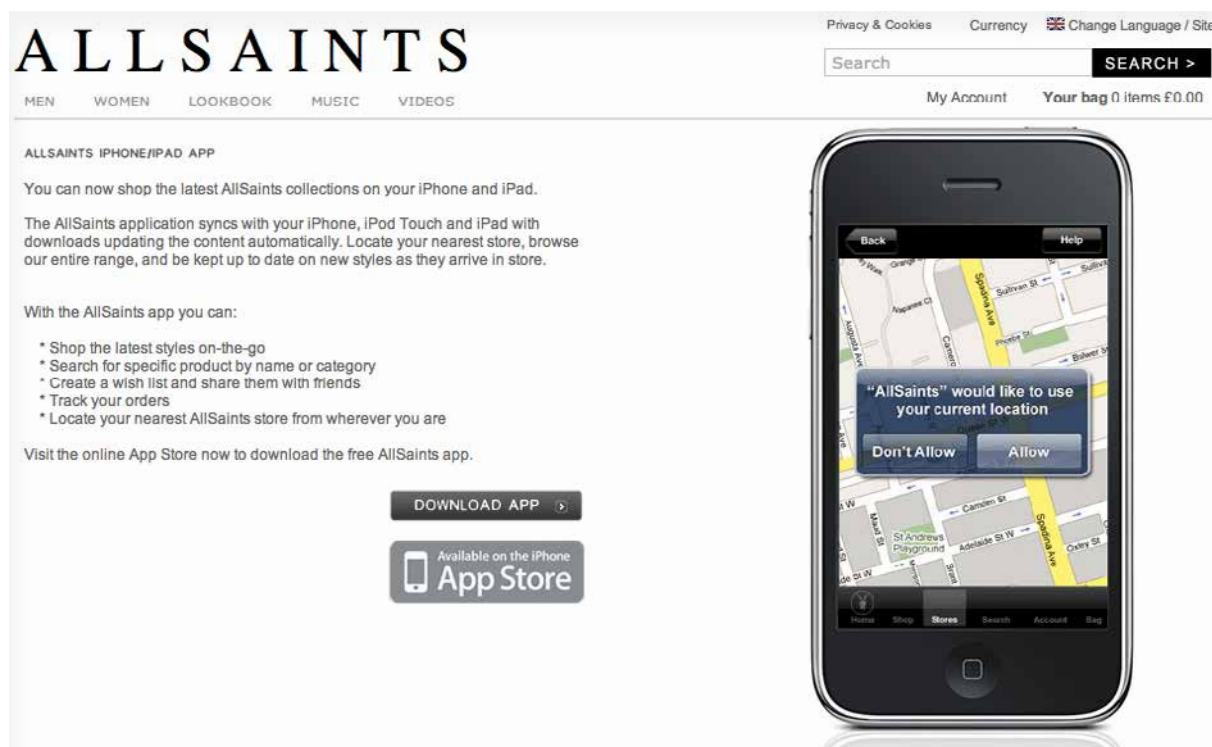
Find my nearest store or attraction ('pull')

At the most basic level, shoppers seek store location information. Retailers should make the information quick and easy to find, and fast to access.

Best Practice Tip 37 Provide a store locator service

Unless there's a good reason to the contrary, use the Google Maps plug-in for your site or app. Google Maps' API is configured to work across all operating platforms and devices for minimal load time, thereby enhancing user experience.

This means displaying the 'store locator' button prominently on the site or app, and making the service offering via both cell-ID (i.e. in close proximity to the place of the look-up request) and post code look-up (i.e. serving shoppers planning a shopping trip at a later time, perhaps in an unfamiliar town or city). AllSaints feature a neat animation to showcase their location-based services.⁴⁰



AllSaints showcase their location-based services with this animation

⁴⁰ [AllSaints App.](#)

Here are some more examples of LBS to inspire:

Find my nearest discount – Vouchercloud ('push')

Amid rival low cost loyalty programmes, Vouchercloud provides Android and iPhone apps which help users to access discounts and offers, based upon where they are located. As one example of this, Avis targets mobile users in the proximity of airports, an excellent geo-targeting zone for car hire, hotel, travel insurance and money exchange brands.

O2 Priority Moments ('pull and push').

The successor to O2 More, O2 Priority Moments provides smartphone users with more precise offers. The app matches subscribers' profiles with a list of live vouchers for partner brands, including Harvey Nichols, WHSmith, Toni & Guy, Odeon Cinemas. Time-based offers are 'pushed' via the app, showing corresponding shops located on a map for redemption. Users simply click the offer they're interested in, locate the shop using the mapping function, and bring their phone to redeem the offer.

The unique coupon allows precise redemption tracking, with alphanumeric codes for reporting to retail partners. This 'digital scent' is valuable for retailers and brands using the offers, and identifies the origin of sale.

Groupon Now ('pull and push')

Groupon has built a mixed reputation in providing location-based loyalty offers. Their email proposition has received criticism from consumers in the US and Europe for failing to target subscribers with relevant or targeted offers. It's one of the best (or worst?) examples of 'spray and pray' promotional marketing.

However, Groupon has succeeded in developing a market-leading mobile coupon redemption solution. Smartphone users who download the Groupon app receive push notifications of deals nearby to match their profile settings. This allows retailers to distribute offers to opted-in Groupon customers to boost footfall when business is slow. This can be managed by day-parts (e.g. late morning or late afternoon) or by times of year (e.g. during January or August). Rich media offers are 'pushed' via the app, linked to maps, and redeemed at the relevant retail point.

In-store, in-stadium – iBeacons (push)

Tracking users' location through cellular coverage, WiFi or GPS provides approximate geo-targeting. iBeacon provide more precise targeting. iBeacon is the name for Apple's technology standard, which allows mobile apps running on both iOS and Android devices to listen for signals from beacons in the physical world and react accordingly. In essence, iBeacon technology allows apps to understand their position on a micro-local scale, and deliver hyper-contextual content to users based on location. The underlying communication technology is Bluetooth Low Energy. As the name implies, it's designed for low energy consumption and cost, while maintaining a communication range similar to that of its predecessor, Classic Bluetooth.

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When an app detects an iBeacon, it communicates the relevant data linked to the unique ID of the app user to its server, which then triggers an action. This could be something as simple as a push message “Welcome to Selfridges! 20% off today’s selected range”. and could include other things like targeted advertisements, or money-off coupons. At a granular level, iBeacons help you send in-app messages to convert shoppers in-store, having already tracked their product browsing on-site or in-app.

Again, the technology allows for micro-targeting. For iBeacons to be effective, remember that users need to switch on Bluetooth settings.

Harnessing ratings and review

Purina - Location based customer reviews

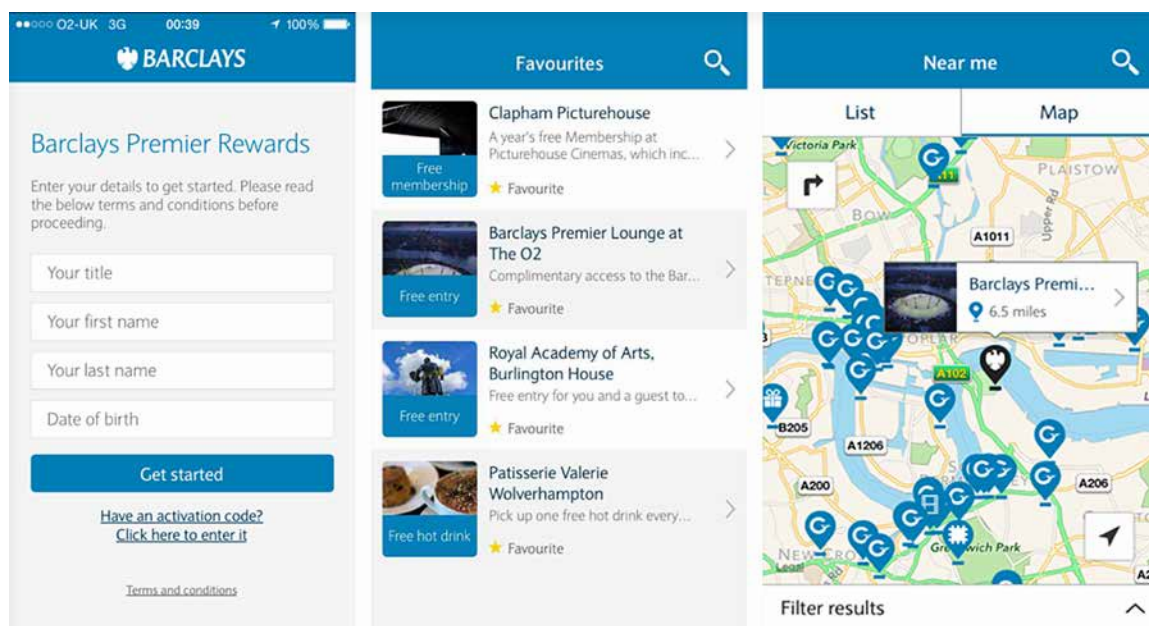
Discerning mobile users question professional reviews, but trust the views of their peers. Some of the most popular mobile services are delivered by brands which provide mobile platforms for customers to create and share their reviews and ratings.

Retailers must know that customers select where to go based on other customers’ reviews. Parents with babies look for the restaurants with 5 star hygiene ratings for changing and bottle warming facilities, pet owners look for a bistro which welcome their dogs. This Purina branded app features ratings and reviews of local eateries.

Delivering partner rewards

Barclays - Location based loyalty programme

Barclays’ Premier Rewards programme offers high value customers a range of exclusive rewards, including daily treats, discounts on dining and days out. Having answered a survey questions to confirm areas of interest, the Premier Rewards app displays locations of merchant partners with pins showing where members can redeem a discount and reward.



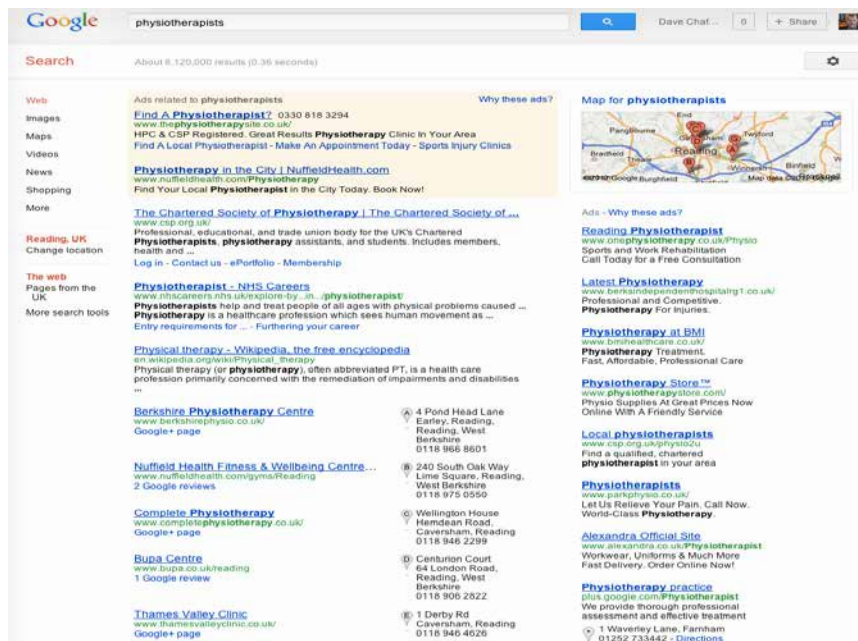
Reviewing local search effectiveness

□ Q. Can we be found in local search (formerly Google Places and now Google+ Local)?

We saw in Step 4 that local search volumes are significant, so if your business has a local presence, this is a key issue to get right. Google has realised the overlap between local search, mobile and social interactions and to facilitate this Google Places was migrated to Google+ Local. This means that every business with a Google Places listing now has an equivalent Google+ Local page and it is these Google+

Local pages that are shown in search results. Google+ Local is the most important local search engine. It has increased in importance over the years with major upgrades making it more prominent for local searches. So if these are important for your business, then it's well worth looking for.

For example, we worked with one client who offered physiotherapy services nationwide and the Google+ Local listings including the map top right are crucial to gaining visibility:



Local search results from Google+ (formerly Places)

So if local search is important to your business, the key question to ask is...

☐ Q. Are we registered with Google+ Local?

If not, go to <http://www.google.com/places> and choose 'Places for Business'. We'll look at the ranking factors in a moment.

Key Strategy Recommendation 23 Get listed on Google+ Local if you offer local services

Simple. If your business has a local presence like stores or offices it's essential to have good visibility within Google+ Local.

It may also be worth registering with Bing Local: <https://ssl.bing.com/listings/ListingCenter.aspx>.

Ensure you have a satisfactory position for local search (if relevant)

☐ Q. Have we achieved a satisfactory position for local searches?

So if local search is important for your business you need to review your position and become familiar with the ranking factors which are important. A full run-down is beyond the scope of this guide – we're just flagging up they could be really important!

We suggest you read <http://www.davidmihm.com/local-search-ranking-factors.shtml> and use this for the latest updates.⁴¹

In brief, the priorities in using Google+ Local should be to implement the following:

☐ Q. Are we using the relevant copy and content types?

Utilising relevant key-terms in your titles, descriptions for your local site, just as you would a web page is clearly an obvious place to start.

Be sure to utilise rich content you have such as videos, images etc. within your listing.

⁴¹ [In-depth Google local/maps advice.](#)

Being active on your listings is important too, putting coupon codes live and adding videos/images over time is important to show you are active and taking it seriously. Particularly important for multichannel companies with multiple listings.

❑ Q. *Have we selected the right categories?*

As the example above shows, these can be specific. Make sure you pick a category that is relevant to the products and services you provide.

❑ Q. *Are we linking to relevant parts of our site and are they optimised for natural search?*

Google will expect relevant websites/landing pages to direct people to, just as it would with its paid search advertising. Creating pages specifically for your listings (if they don't already exist) is key to ensure your listing is highly ranked but also to increase the likelihood your traffic is converted into enquiry/sales.

One of our partners, local business expert Susan Hallam of Hallam.Biz says: *'make sure you have local signals in your organic SEO strategy (local address and telephone number on every page, if local is super important you should have the location in the Title Tags, Meta Descriptions, Alt Tags, Headings, Body Copy, Contact Pages)'*.⁴²

The other SEO factor – getting links from relevant national, local and specialised businesses to these pages is also important, although links from other locations do still help rankings.

Best Practice Tip 38 Get local links

It's best if these local pages have relevant local links from pages that are themselves about the location and category.

❑ Q. *Are we encouraging reviews and ratings?*

Quite possibly the most important area in our opinion. Encouraging customers to recommend/review you through the Google+ Local system will undoubtedly push your business up in the results. The sentiment and rating attached to each comment will impact how that rating is used within the algorithm. Not only will it impact your ranking, it will impress upon searchers that you are genuine and good at what you do.

This rating is shown in the search results snippet and can have a direct influence on click through. Put yourself in the searcher's position – if you find two local businesses, one has no reviews and the other has 80 positive reviews, which one are you most likely to trust?

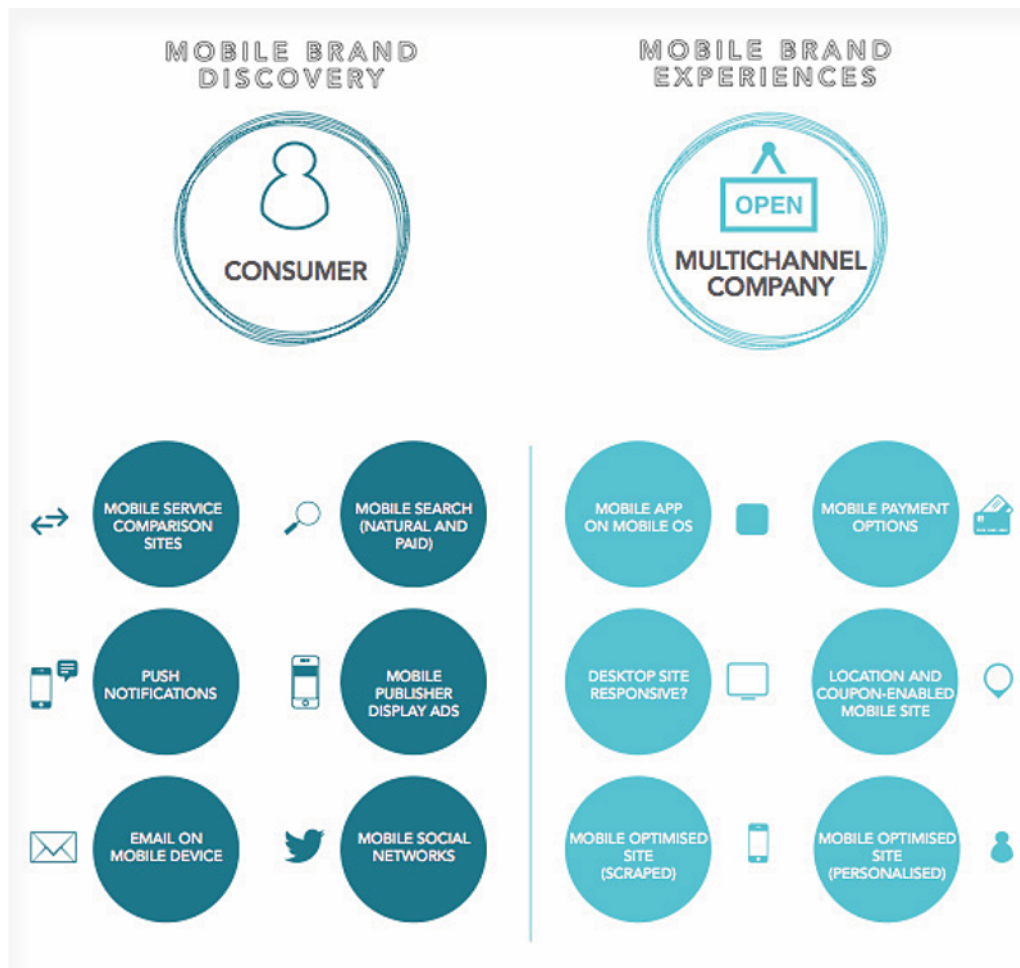
Keep Google+ Local simple. Focus on how you can encourage and promote the comments and ratings around your business; this is what will help you do well in search results. Offline- or email-based prompts which are incentivised can be the most effective.

Integrating social interactions with mobile location-based services

In today's multichannel world, retailers face a major challenge in developing, nurturing and building relationships with their customers. Mobile plays an increasingly important role in this process, and connects physically and emotionally in influencing purchase behaviour.

The graphic below serves to illustrate the multiple touch points available via mobile, and the complex interaction between mobile and other channels.

⁴² [Susan Hallam's advice on local search.](#)



Multiple touch points to connect with and influence shoppers.

Source: [eibDigital Ecommerce and Online marketing agency](#)

Let's remember that shoppers already use their mobile extensively for peer-to-peer networking, and to extend and amplify their relationships with retailers to their wider social networks.

Retailers which engender trust and their shoppers are rewarded directly through increased loyalty, and indirectly as these shoppers become brand advocates and followers using social media.

Returning to the RACE model, brands including Yelp, Nike, and Jimmy Choo are combining mobile location and social media to engage and reward their most loyal customers, creating a virtuous cycle whereby shoppers read and are motivated to contribute to the online community. Brand ambassadors lead the dialogue which gave further traction with Flickr, Pinterest and Instagram adding colour and depth to their dialogue.

To engage shoppers using social media channels, and move them from occasional shoppers to loyal customers, retailers should follow four steps, which fit within the RACE framework.

- ✓ **REACH and Involve.** Retailers should focus on involving shoppers by actively asking them to comment on their retail experiences, good and bad, via mobile versions of Facebook and Twitter. To attract interest from a wider audience, retailers should encourage loyal customers to post app reviews, rate shops, restaurants or bars, write blogs and post photos, on the basis that those not already fans on Facebook and Twitter are more likely to trust their peer group

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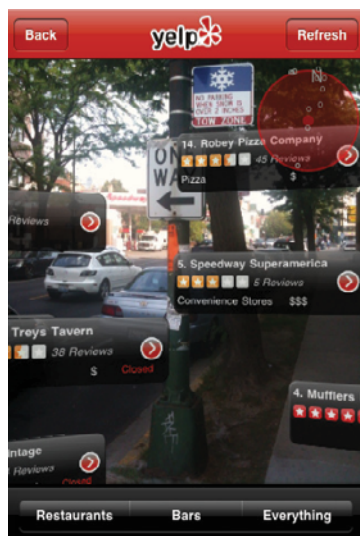
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than the retailer. Positive reviews then drive footfall for other shoppers using ratings-based mobile services, such as Yelp's Location sensitive Augmented Reality app.



Augmented Reality function gives directions via GPS + ratings & reviews

- ✓ **ACT and Interact.** Retailers should incentivise shoppers who already 'like' or 'follow' them and target them with special offers in exchange for reviewing or giving their opinions on other areas of the retailers' business, such as usability and usefulness of the mobile site, apps or loyalty programmes. Additional rewards could include preferential offers, VIP invitations to view and purchase sales offers before the general public has access, birthday gifts, or entry into shopper competitions. A good example here is the Jimmy Choo Trainer Hunt. Jimmy Choo ran a location-based treasure hunt to raise awareness for the launch of its first trainer collection.

We conclude by looking at how mobile has become entwined with social media to shift occasional shoppers to long-term loyal customers and brand ambassadors.



The Jimmy Choo integrated mobile social location campaign

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Users check in on Facebook, Twitter and Foursquare at locations around London; the winner arrived at the location before the trainers left.

- ✓ **CONVERT:** Intimacy. To engender a personal relationship between retailer and shopper, and increase the conversion to sale, retailers can retweet shoppers' tweets, thereby paying them the highest social media compliment. Another social media token of gratitude to loyal customers takes the form of special badges which can be posted to Facebook pages, thereby rating shoppers in recognition of their level of retail commitment, which can be linked to basket size or purchase frequency, whether in store or site.
- ✓ **ENGAGE:** Brand ambassadors. Ultimately, loyal customers should be able to influence their social media networks. By giving them ambassador status, retailers can empower loyal shoppers to give selected friends discounts on particular product lines or to make them aware of reviews. This will result in building a community of influencers who can themselves meet on social media forums. Social gifting apps available on mobile are another specialist tool that encourage this.



Mobile Social Media: virtuous circle. Source: [eibDigital Mobile Solutions Guide](#)

The model shown above should be a virtuous circle, whereby shoppers (occasional shoppers, loyalty card members, opinion forming bloggers) read and are motivated to contribute to the online community or to start a related one. This integrated approach also allows retailers to leverage a hot topic and generate maximum visibility. The dialogue becomes driven by brand ambassadors.

High-end fashion retailers can also harness Flickr, Pinterest and Instagram whose apps are widely used on mobile to facilitate their ambassadors promoting their products on the networks using images to add colour and depth to text.

We have seen that the opportunities of mobile, particularly when combined with location, local search plus social reviews and ratings, are a potent mix. All the best for exploiting these opportunities in the year(s) ahead!

And that's the end of the guide. Do let us know any questions via our [community](#) and remember to check out the other more practical guides in our Experience Management Toolkit or the [Ecommerce Design pattern Bible in our Ecommerce toolkit](#) which features

many mobile examples.

The Smart Insights Digital Experience Toolkit

This 7 Steps Mobile Marketing guide will teach you how to develop an overall mobile strategy. Smart Insights Expert members can consult the other resources in our [Digital Experience Toolkit](#) in our members area to drive the performance of both their mobile and desktop marketing efforts by specific recommendations on site design. We recommend:

- ✓ **Inbound Marketing Quick Wins template**, fully updated to cover the latest inbound marketing techniques across the full customer lifecycle structured around the Smart Insights RACE planning approach, this guide lets you apply a consultant's approach yourself by following the questions you need to ask.
- ✓ **Customer persona toolkit**, aimed at helping agencies and consultants improve their use of design personas and also to develop customer journey maps including mobile.
- ✓ **Landing Page Conversion and Improving website results guides**, detailed best practice tips for desktop and mobile sites with over 50 examples of best practice to inspire improvements to your landing pages covering a range of sectors from retail,

Digital Experience Management

Learn how to make your mobile and desktop website designs more persuasive using our insight-driven approach. This toolkit explains how to use Google Analytics to identify improvements and recommends web design best practices.

1 Complete our Digital Experience Management Capability assessment

2 Start our Digital Experience Management e-learning course

3 Browse the Digital Experience Management resources

4 Unlock all resources with expert membership

Free Basic Member resource

Digital Marketing Benchmarking Templates
Last updated: 20th Apr 2016 | Last accessed: Not accessed yet

Auditing your website

Inbound Marketing Quick Wins template
Last updated: 20th Jan 2016 | Last accessed: Not accessed yet

Competitor benchmarking guide
Last updated: 02nd Mar 2014 | Last accessed: 16th Dec 2015

Best practices for improving websites

4.0
Capability score
★★★★★
Last taken 13th Jan 2016
Review capability >

0%
Elearning complete

We also recommend these closely-related guides to develop your Mobile strategy:

- ✓ [Ecommerce Design pattern Bible in our Ecommerce toolkit](#) features many mobile examples of mobile optimised page layout and design best practices
- ✓ [Online Marketing Benchmarks statistics compilation](#) to save you time in searching for the latest, most reliable online marketing benchmarks, this guide gives you a single source of the latest and most reliable sources.

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