

WARC[^]

The State of the Industry: Mobile
Marketing in APAC 2019

 **MMA**
MOBILE MARKETING ASSOCIATION

Things to take from this report

1

Mobile disruption

Mobile continues to be a disruptive force across the board with travel, transport and tourism leading the way in terms of innovation, as well as Unilever which was deemed the most innovative company and China the most innovative country in APAC.

Just under half the surveyed marketing professionals see mobile as a major disruption while 45% expect a bigger impact in the future.

2

Mobile strategy, budgets and integration

Although the majority of marketers are connecting their mobile strategies to other marketing activities, marketers in APAC markets are split in the difficulty of transferring strategies across countries.

Mobile budgets continue to increase, with 31% of respondents now allocating more than 30% of their marketing budgets to mobile, and 83% expect their budgets to increase over the coming year.

3

Mobile tactics

Display is the most popular form of mobile advertising but branded content continues to show the most potential for future growth. Location data remains at the core of mobile this year but marketers expect mobile wallet and artificial intelligence to drive mobile growth in five years' time.

Social media is the most commonly used channel with mobile, and while Facebook is the most used platform, the use of Instagram and YouTube for mobile marketing has grown this year.

4

Barriers and challenges

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

However, measurement and ad fraud remain the main barriers to the growth of mobile marketing for marketers. This means that the use of engagement metrics, the primary way of measuring mobile marketing effectiveness, needs to be monitored.

Chapter one

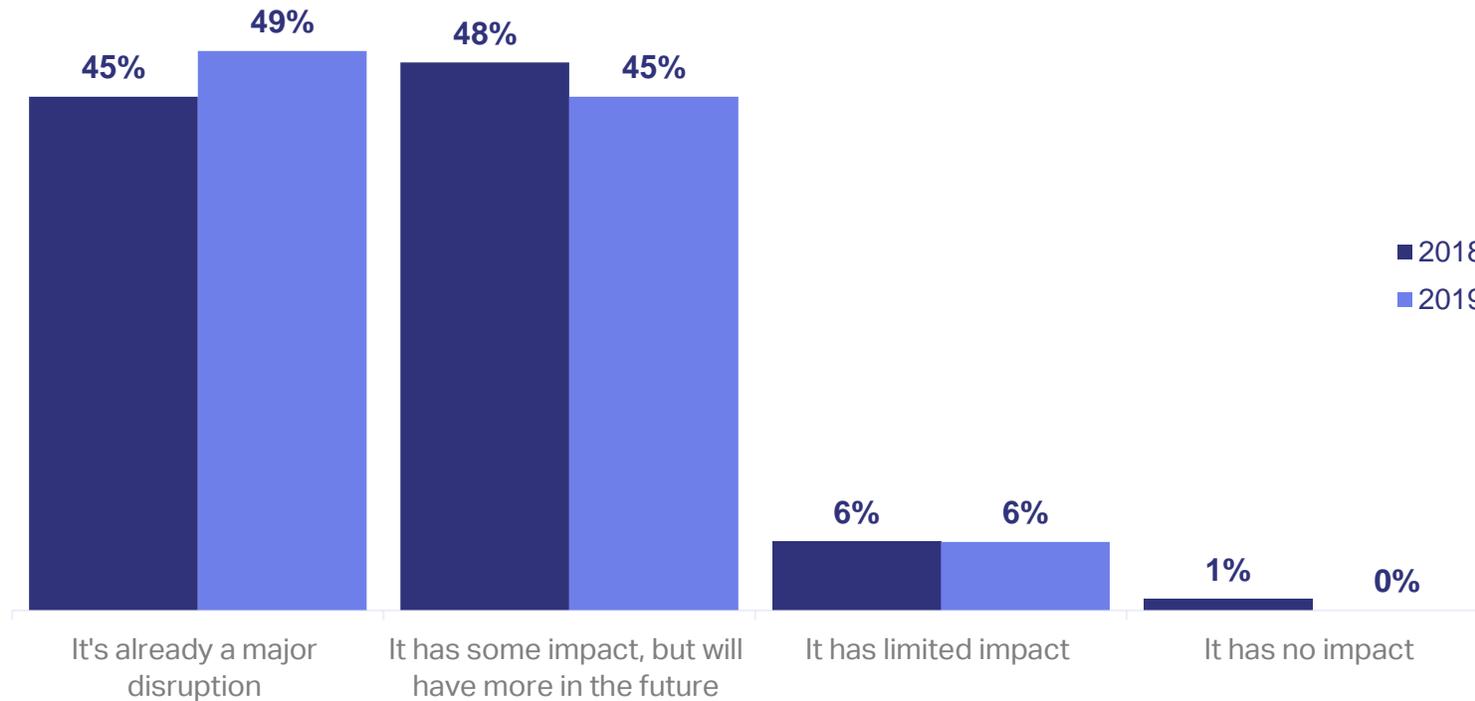
Mobile disruption and innovation



Key insights

- ✔ With 94% of respondents seeing the impact of mobile, it remains a disruptive force
- ✔ Mobile payments are having a significant impact on the marketing industry
- ✔ Travel, transport and tourism is seen as the most innovative sector in mobile, closely followed by retail
- ✔ Unilever is regarded as the most innovative brand in APAC while China is the most innovative country

The disruptive force of mobile evident across industries



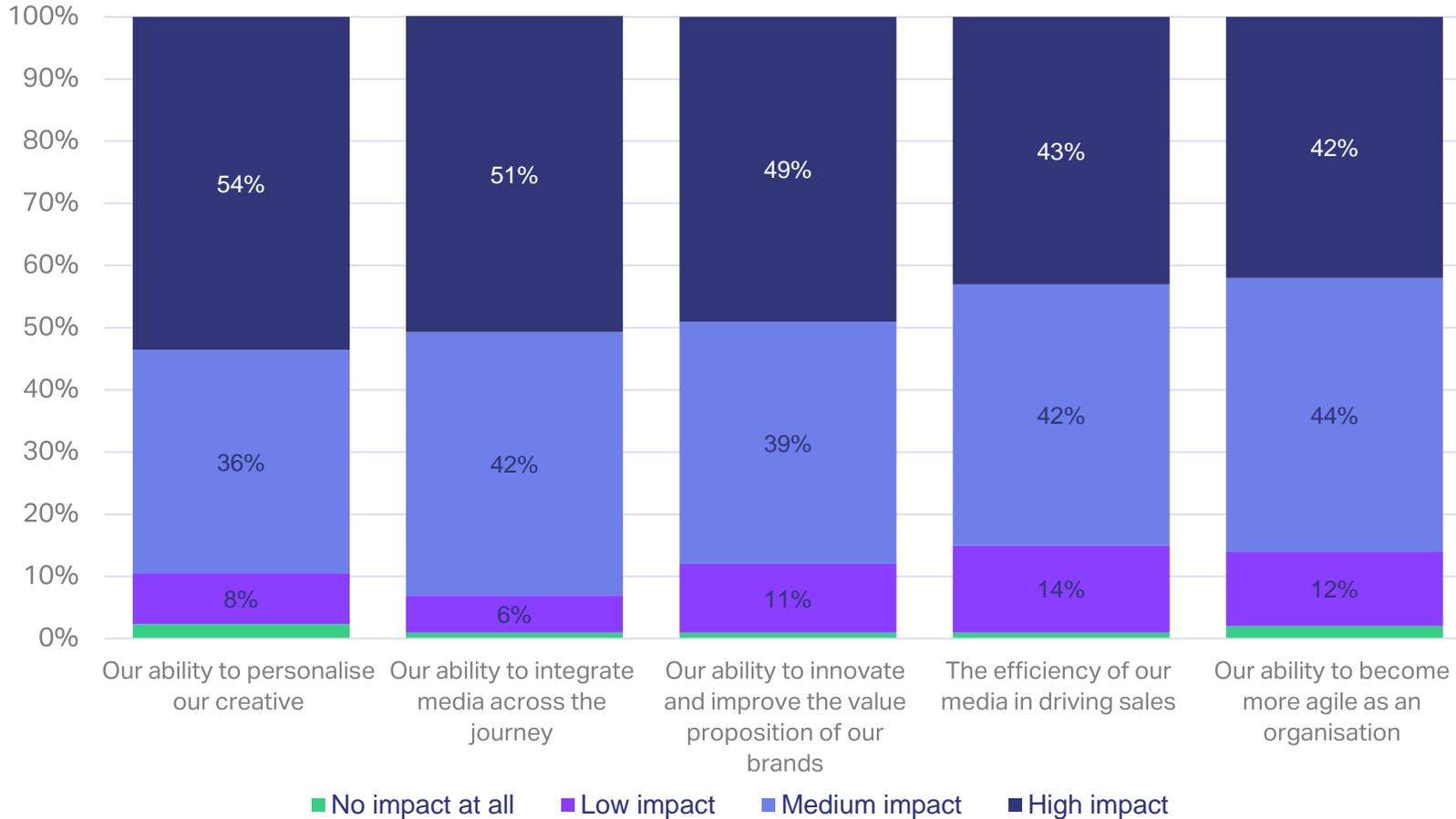
Commentary

- ✔ Proving the influence of mobile over industries, every respondent said that mobile has had some type of impact with a four percentage point increase in those that classify mobile as a major disruption.
- ✔ A further 45% of respondents think the impact will continue to increase in the future.

All respondents

Q: To what extent do you think that mobile is impacting your industry? 2018 n=330, 2019 n=564

Mobile has high impact on the personalisation of creative



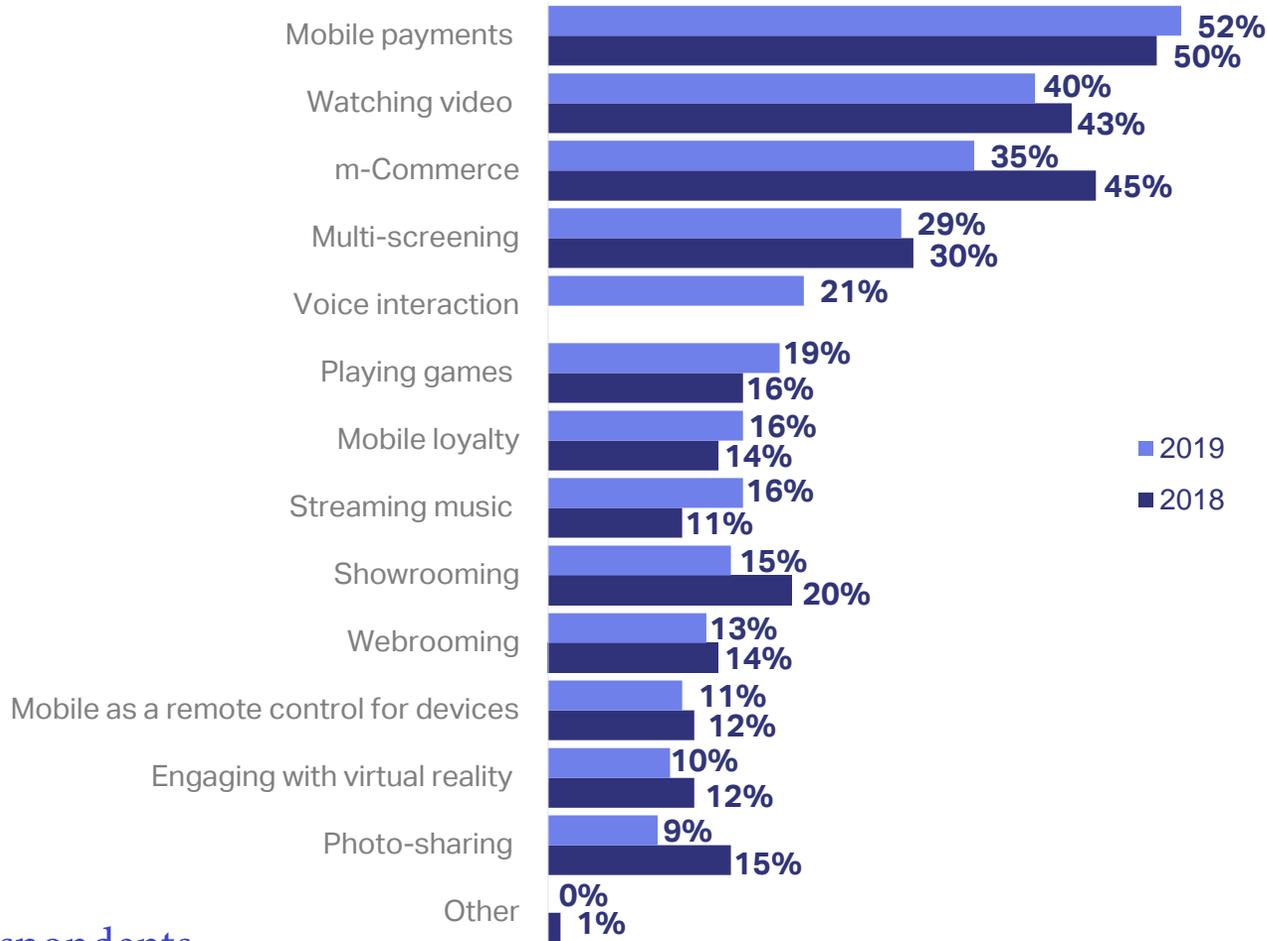
Commentary

- ✔ For marketers, mobile has had the highest impact on integrating media across the journey with 93% of respondents saying it has had a medium or high impact. However, mobile has had the biggest impact on personalising creative with 54% of respondents saying it has had a high impact.
- ✔ Respondents are more mixed on their perception of the impact of mobile on agility in their organisation as well as its efficiency of media in driving sales, but the majority still see its impact on both competencies as notable.

All respondents

Q: What is the impact of mobile in each of the following marketing competencies? n=561

Mobile payments continues to be highly significant for marketers



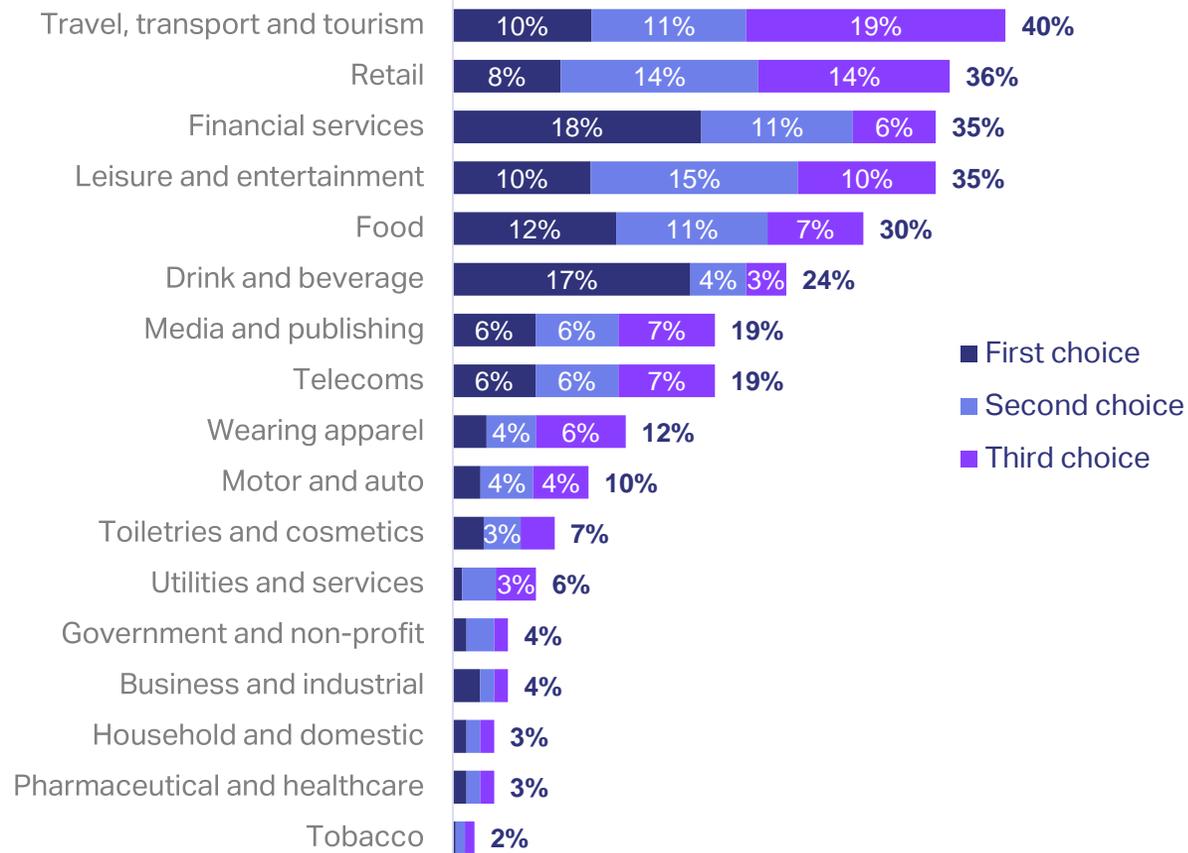
Commentary

- ✔ Mobile payments have remained significant for marketers in APAC with 52% of respondents placing payments via mobile as a key consumer behaviour; a slight increase from 2018.
- ✔ With the increase in popularity of voice-activated devices such as Amazon's Alexa and Google Home, voice interaction was added as an option for this year's survey. It has already become a noteworthy behaviour for the marketing industry, selected by 21% of respondents.
- ✔ m-Commerce has decreased from 45% in 2018 to 35% in 2019, a 10 percentage point decrease, but there is an evident crossover between this and mobile payments.

All respondents

Q: Of the following consumer behaviours that are increasingly involving mobile devices, which do you think has the most significance for the marketing industry? 2018 n=308, 2019 n=517

Travel, transport and tourism seen as the most innovative sector in mobile



Commentary

- ☑ Respondents were asked to select which sector they thought was most innovative in terms of mobile marketing in their region.
- ☑ Travel, transport and tourism came out on top, selected in total by 40% of respondents and ranked in first by 10%; however, financial services was the overall top choice for 18% of respondents.

All respondents

Q: In which sectors in APAC are you seeing the most innovation in mobile in the way that they are using mobile to reach customers? n=447

Unilever is seen as the most innovative brand in APAC



"They are 100% programmatic and always emphasise having ads that are creative and interactive for the consumers."



"They continuously introduce new services, optimising app experience and extensive partnerships."



"They have made shopping online a convenience and a necessity rather than a luxury."

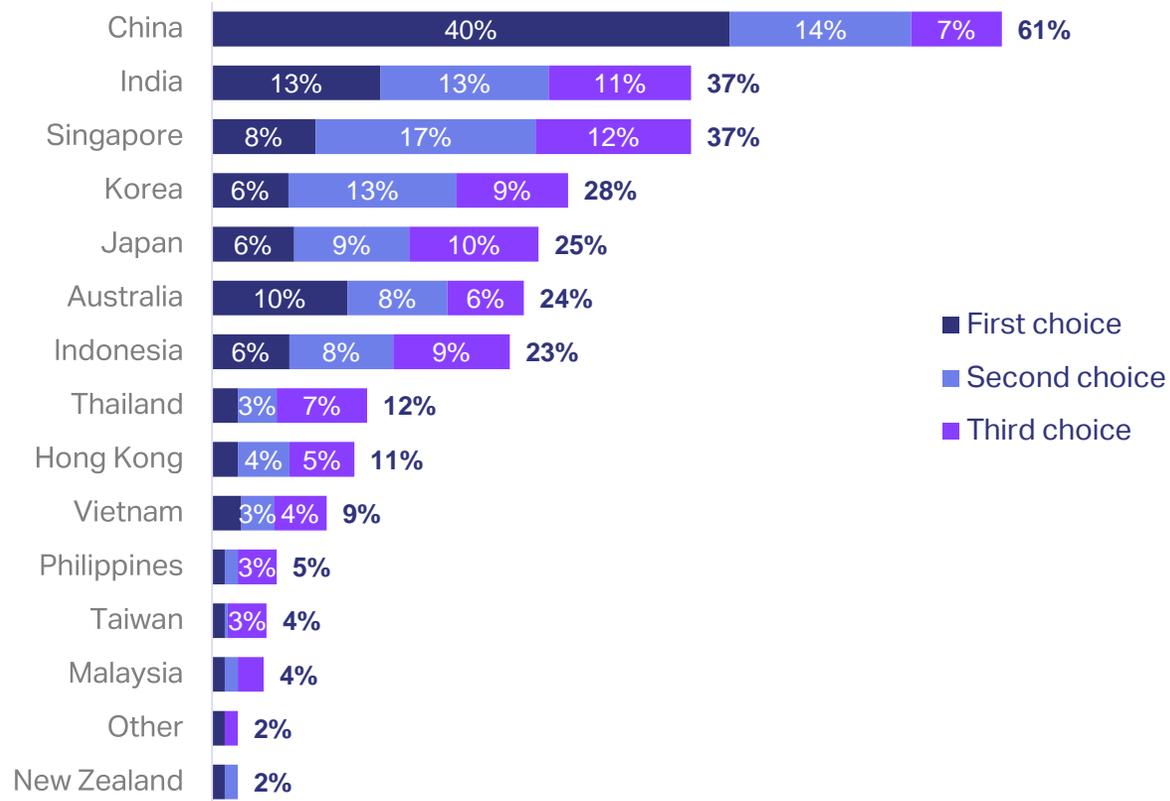
Commentary

- ✔ When asked about the most innovative brand in their region, Unilever was cited by the highest number of marketers, followed by Grab and Amazon.
- ✔ Quotes from survey respondents are shown below each, describing why they believe each is the most innovative brand.
- ✔ In 2018, 1, 2 and 3 were Amazon, Samsung and Unilever respectively. This year, Unilever and Amazon retained top three places, and Grab placed second, with its pioneering approach to new ideas and its potential for the future mentioned by respondents.

All respondents

Q: In your experience, which companies do you feel are being innovative in the way they are using mobile to reach consumers in APAC? n=304

China seen as the most innovative country in APAC for mobile marketing



Commentary

- Respondents were asked to select which country they thought was most innovative in terms of mobile marketing in their region.
- Despite 29% of respondents [coming from India](#), China came out on top, selected in total by 61% of respondents and ranked in first by 40%.

All respondents

Q: In which APAC markets are you seeing the most innovation in the way that they are using mobile to reach customers?
n=440

Chapter two

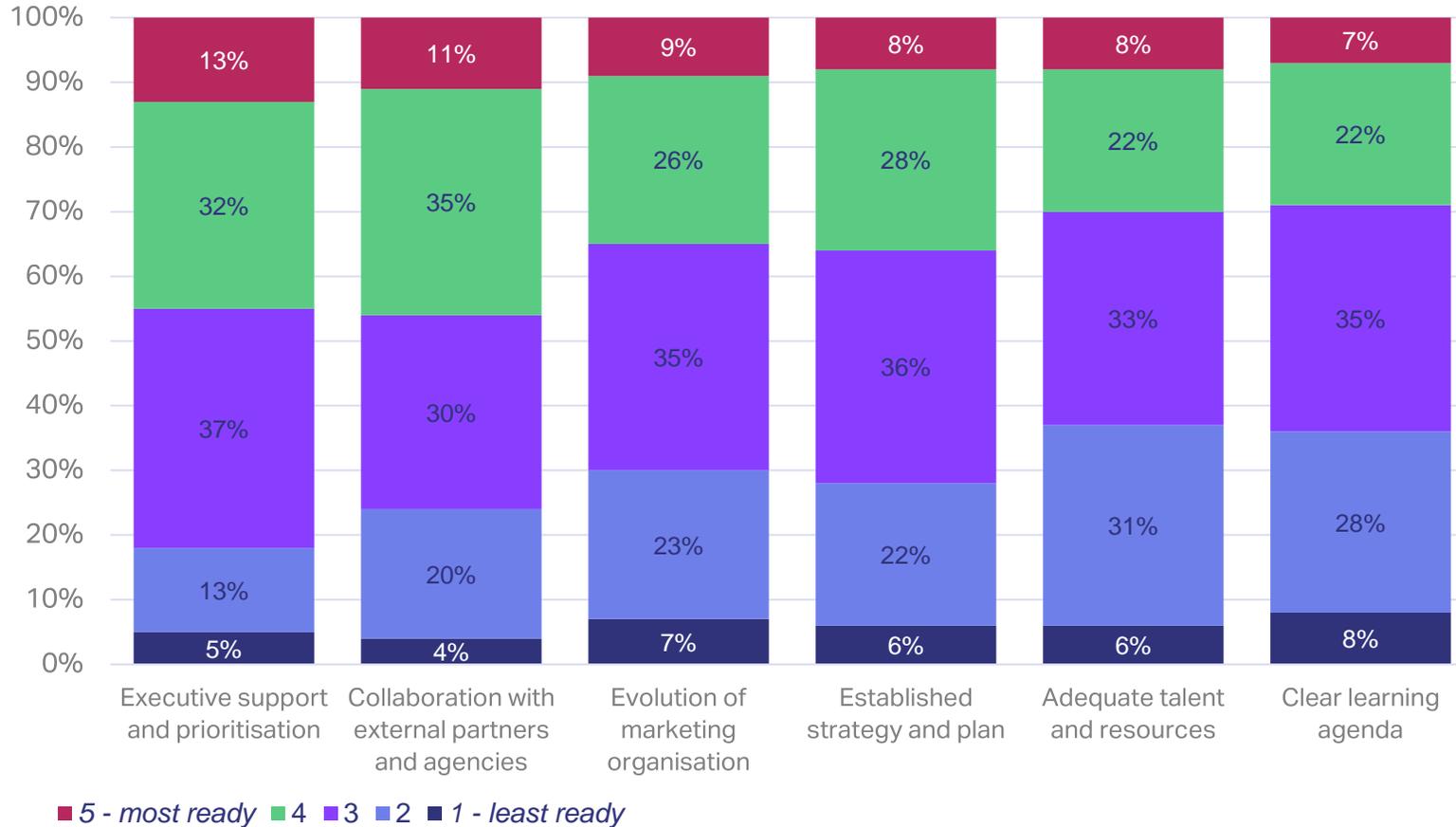
Mobile strategy, budgets and integration



Key insights

- ✓ Many brands are struggling to implement a clear learning agenda in terms of mobile adoption
- ✓ Almost a third of respondents predict that they will spend more than 30% of their budget on mobile over the next year
- ✓ Marketing technology will be a significant investment with almost 60% of respondents allocating over 10% of their budget to tech

Mobile has executive support but brands lack talent and resources



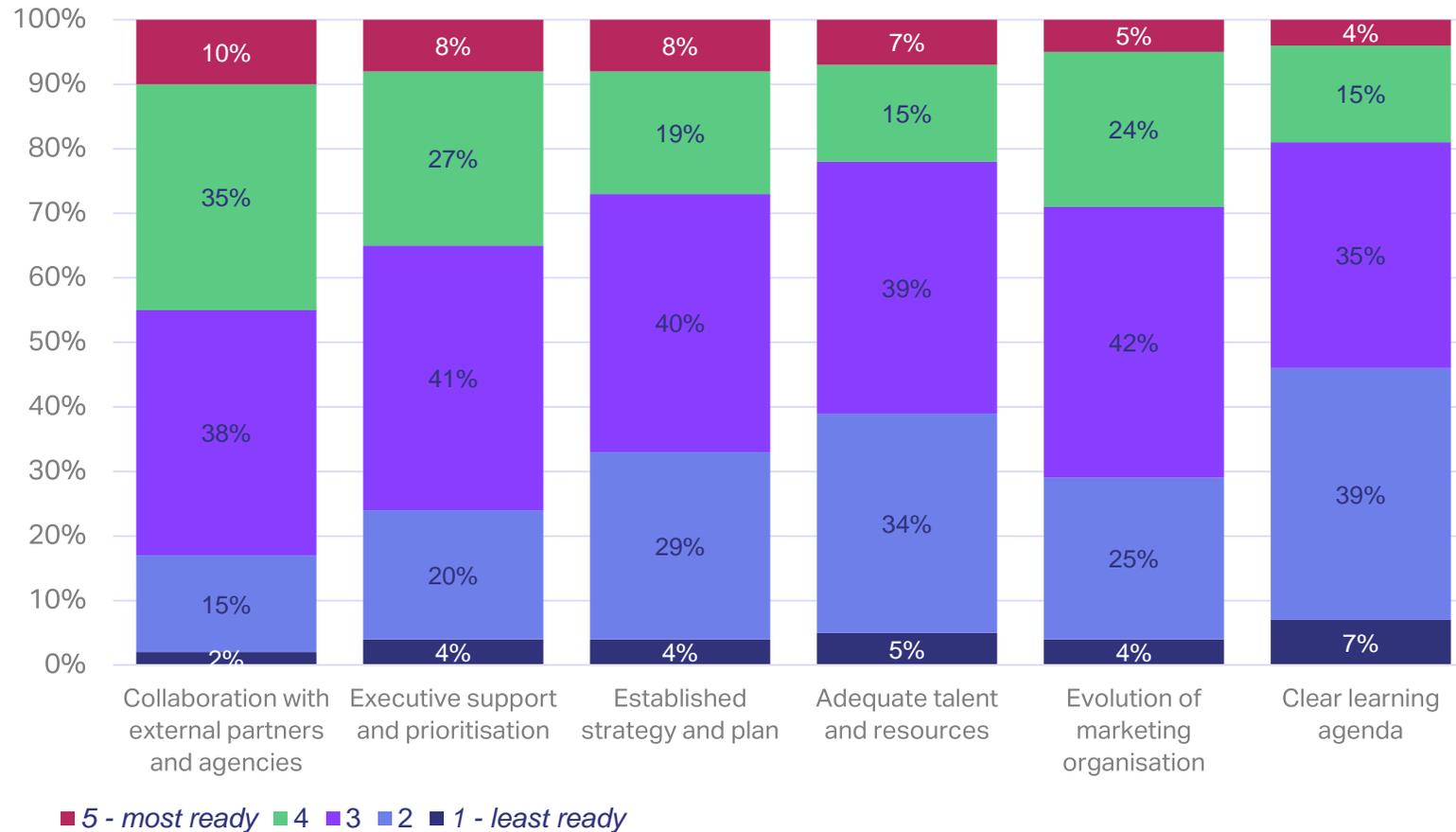
Client-side, media owner and tech vendor respondents

Q: How would you rate the level of readiness of your organisation when it comes to each of the following parameters in relation to mobile adoption in your company? n=242

Commentary

- ☑ The parameter for which the greatest proportion of client-side, media owner and tech vendor respondents said that they were 'ready' (4 or 5) for mobile adoption is in terms of being able to collaborate with external parties at 46%.
- ☑ A similar proportion of respondents feel 'ready' (4 or 5) in terms of executive support and prioritisation for mobile adoption at 45%, an eight percentage point decrease from 53% last year.

Agencies agree that learning agendas are lacking



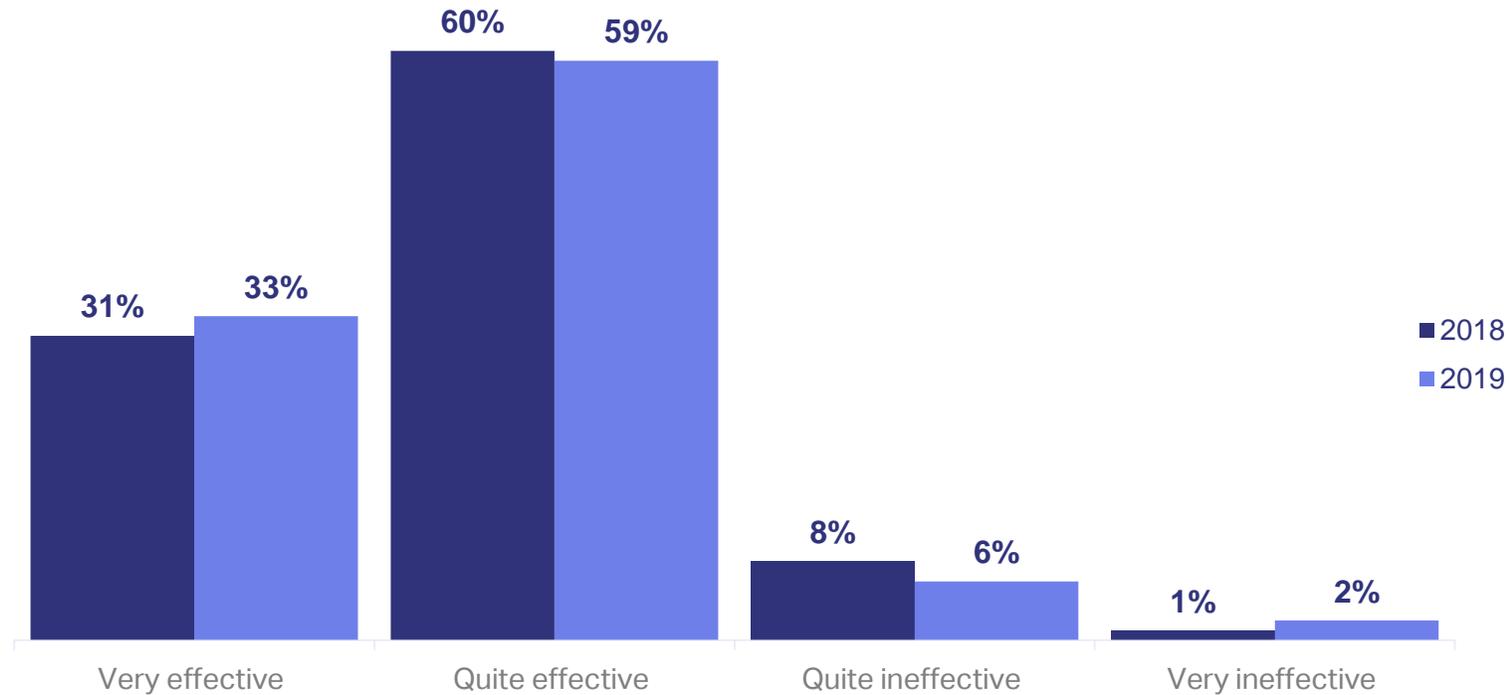
Commentary

- Unsurprisingly, agencies feel most assured around their client's ability to collaborate with external partners and agencies with 45% of respondents feeling 'ready' (4 and 5) – an 11 percentage point increase from last year.
- At the other end of the scale, 7% of agency respondents feel their clients are the least ready for mobile in terms of having a clear learning agenda.

Agency respondents

Q: How would you rate the level of your typical client's organisation when it comes to each of the following parameters in relation to mobile adoption in your company? n=348

The majority find mobile an effective marketing channel



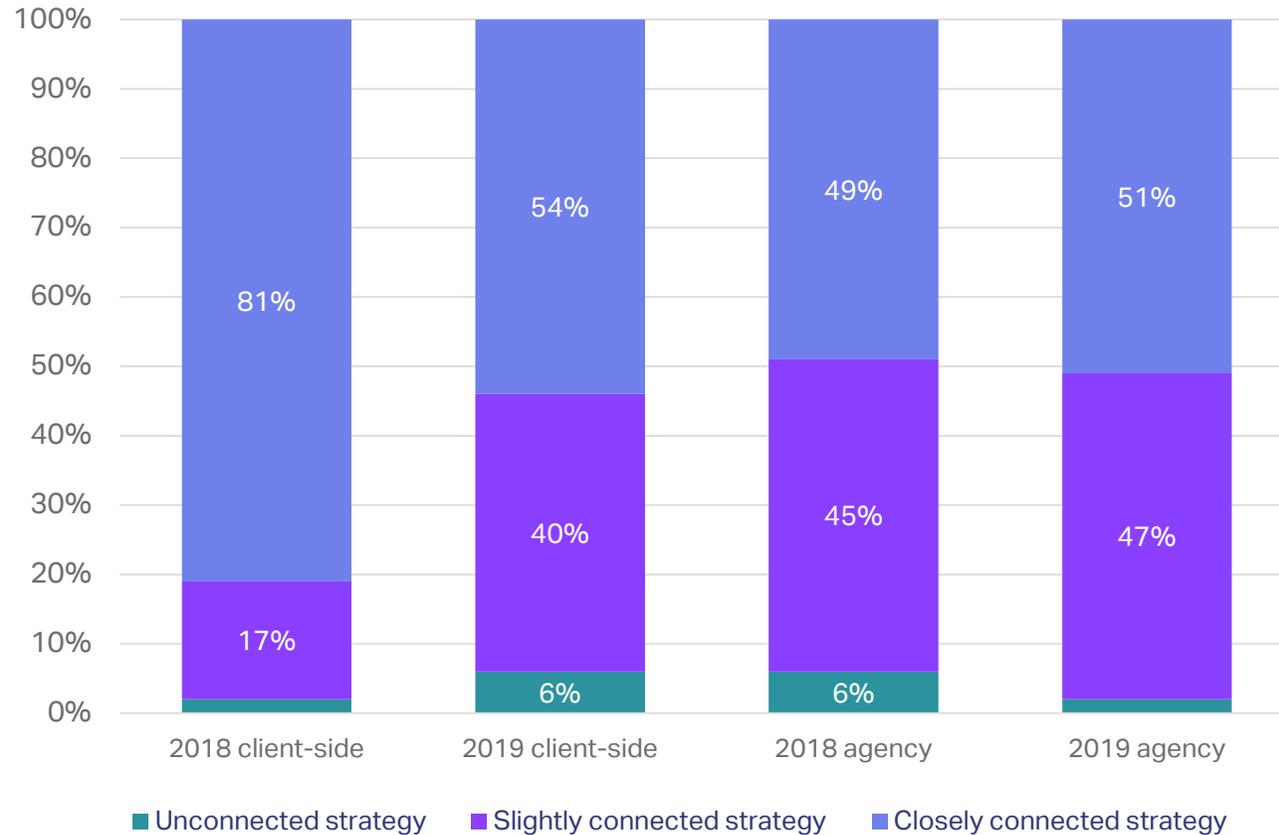
Commentary

- Although there has been a slight increase in the proportion of respondents that see mobile as very effective (33%), for the majority, mobile is yet to reach its potential (59%).

All respondents

Q: In your experience, how effective are mobile devices or networks as a marketing channel? 2018 n=346, 2019 n=602

Mobile strategies are closely connected to other activities



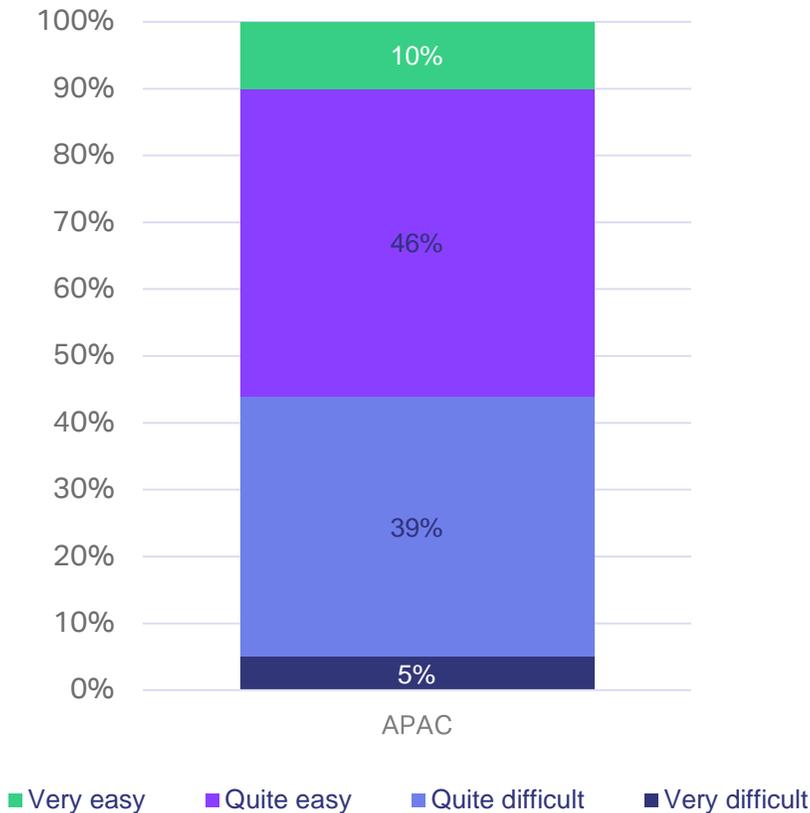
Commentary

- ☑ In the eyes of both client-side and agency respondents, mobile marketing activities are slightly or closely connected to their other marketing activities with only 6% of client-side marketers and 2% of agency respondents believing that they are unconnected.
- ☑ Channel-specific messaging that is consistent in message and tone across an omnichannel strategy is key to a good customer experience. Integration creates this seamless experience, but is difficult to achieve – this is reflected in these results, with more than a third of respondents having not achieved full integration of their channels.

All respondents

Q: How closely are your/your clients' mobile marketing activities integrated with other marketing activities? 2018 client n=59, 2019 client n=169, 2018 agency n=120, 2019 agency n=350

APAC respondents split in difficulty of transferring mobile strategies



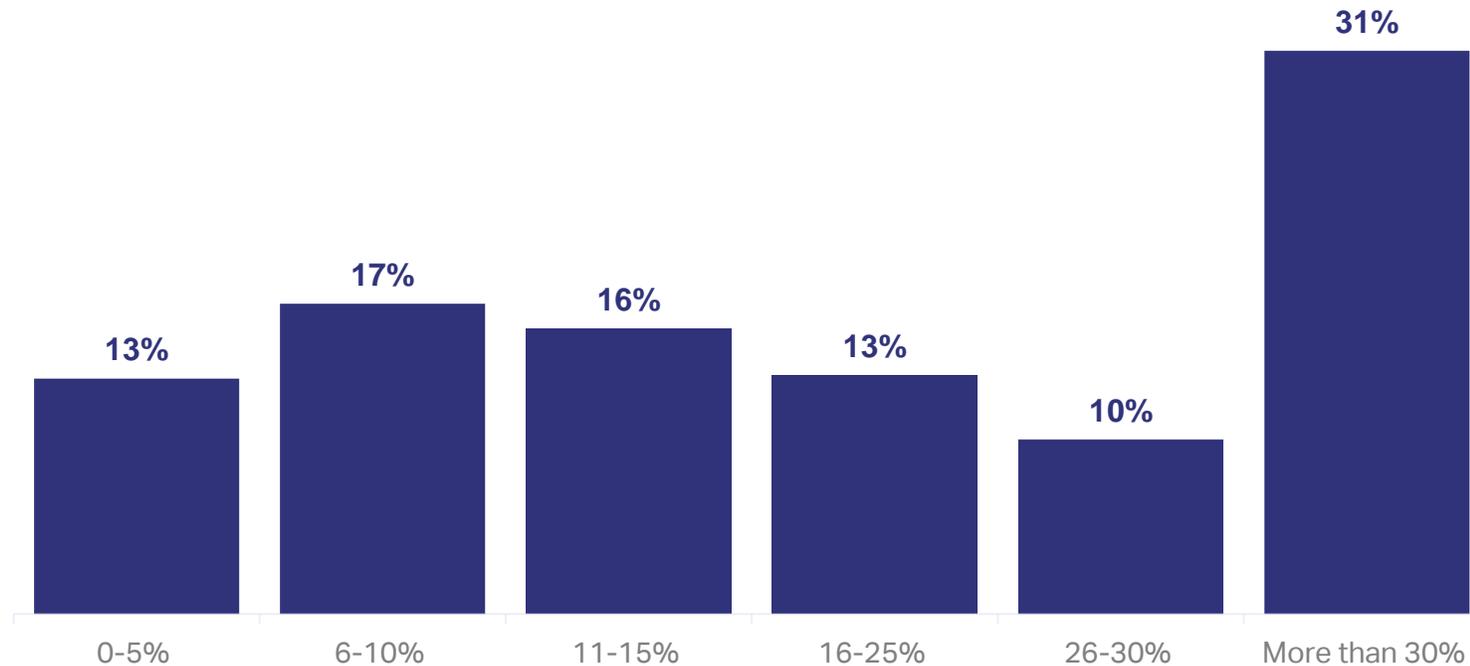
Commentary

- ☑ In APAC, transferring strategies between countries is seen as at least 'quite' easy for 56% of respondents, with the remaining 44% finding it difficult.
- ☑ This is likely a reflection of the diversity of the APAC region, with internet penetration and technology adoption varying among its countries. This means that a localisation of strategy, in addition to translation, is particularly important, and adds complexity to transferring strategies.

All respondents

Q: In your experience, how easy is it to transfer mobile strategies between countries within your region? n=489

Significant budget is being allocated to mobile



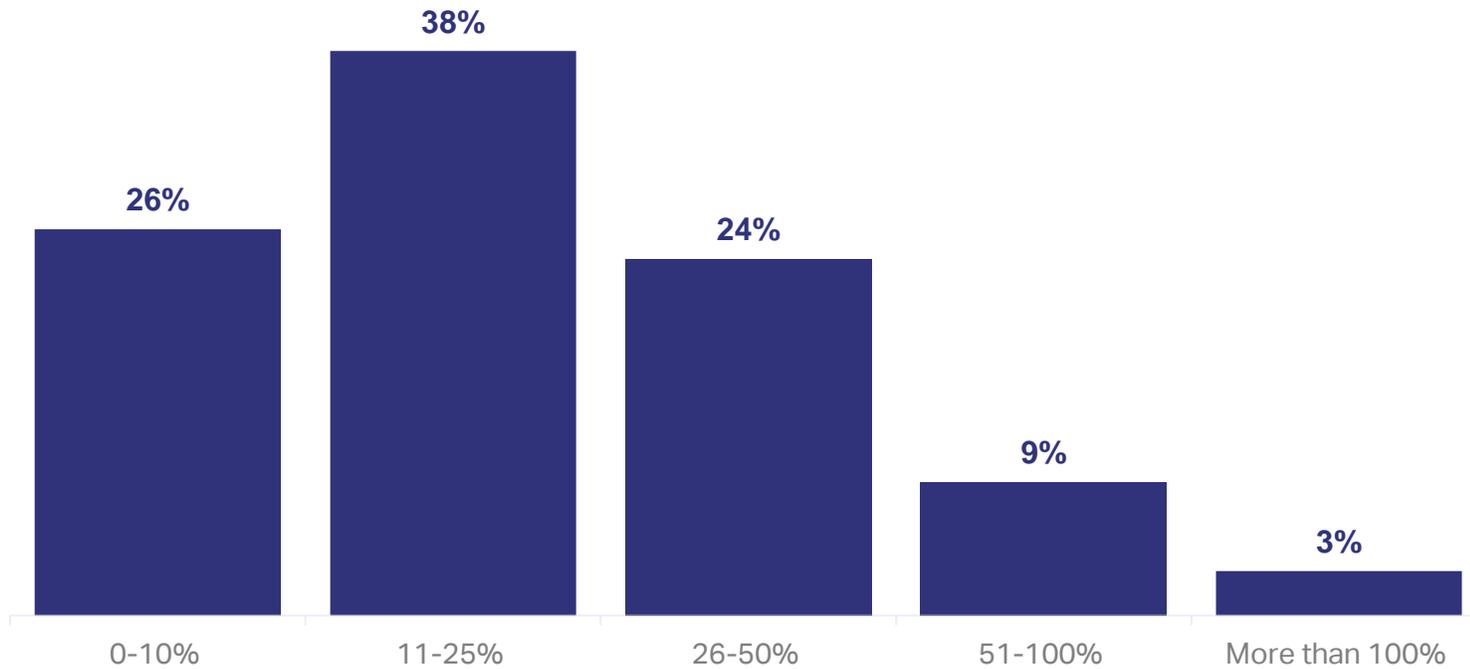
All respondents

Q: What percentage of your, or your clients', typical marketing and advertising budgets are being allocated to mobile marketing and advertising? n=656

Commentary

- ✔ Just under a third of respondents allocate more than 30% of their budget to mobile. This means that 41% of respondent companies allocate more than 25% of their budget to mobile marketing compared to 25% of respondents in 2018.
- ✔ In a separate question, respondents were asked how they expected their budgets to change over the next year. Over four-fifths of respondents expected their mobile budget to increase (83%), and only 1% thought it would decline.

The majority expect an increase of less than 50%



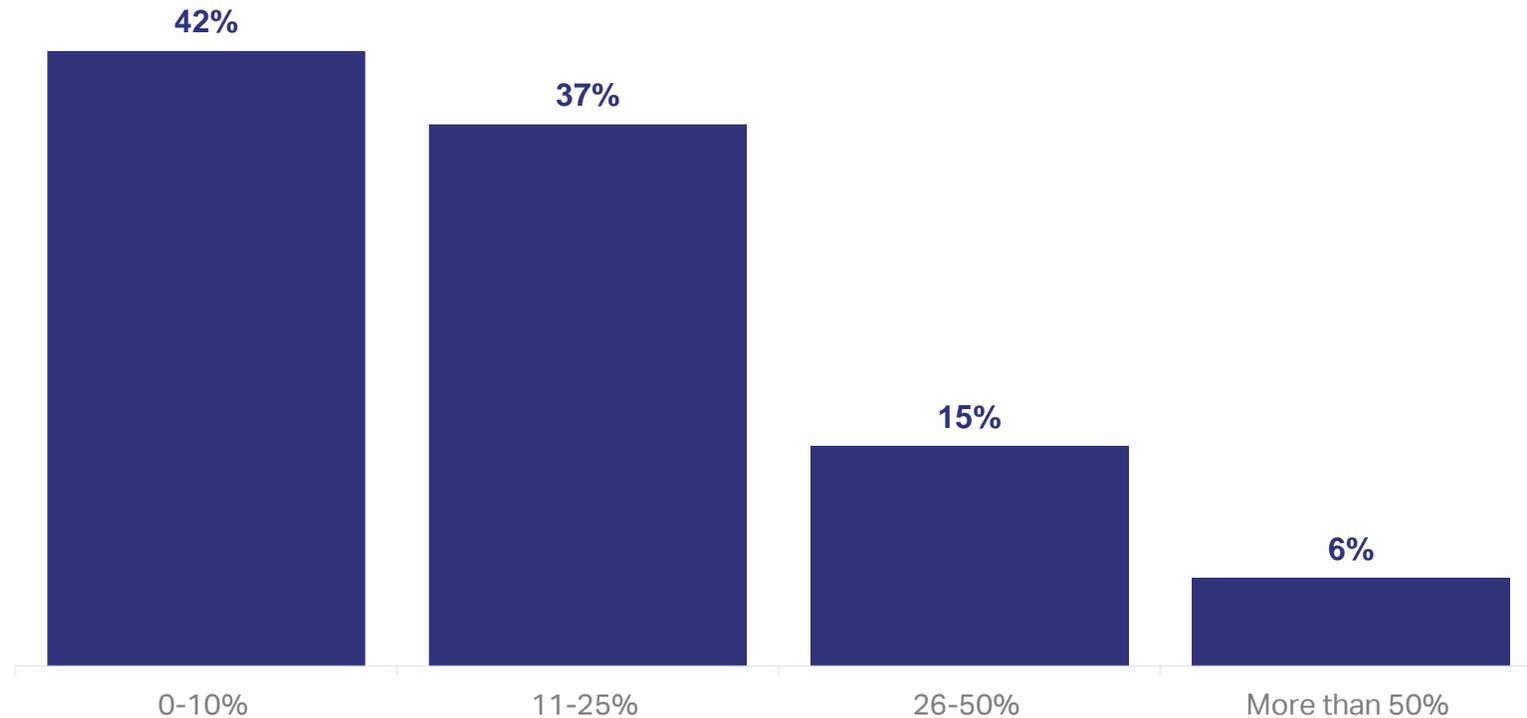
All respondents

Q: By how much do you expect your/your clients' mobile marketing and advertising budgets to grow over the next twelve months? n=542

Commentary

- ☑ Of those expecting their mobile budgets to increase over the next year, 88% of respondents expected increases of up to 50%, with 3% of respondents predicting a budget increase of more than 100%.

Budgets make room for martech



All respondents

Q: How much of your budget for 2019 will be invested in marketing technology such as marketing automation systems, data management technologies, or attribution technologies? n=569

Commentary

- Over half (58%) of respondents said they would allocate over 10% of their budget on marketing technology reflecting research that suggests [martech budgets are expected to increase over the next year.](#)

Chapter three

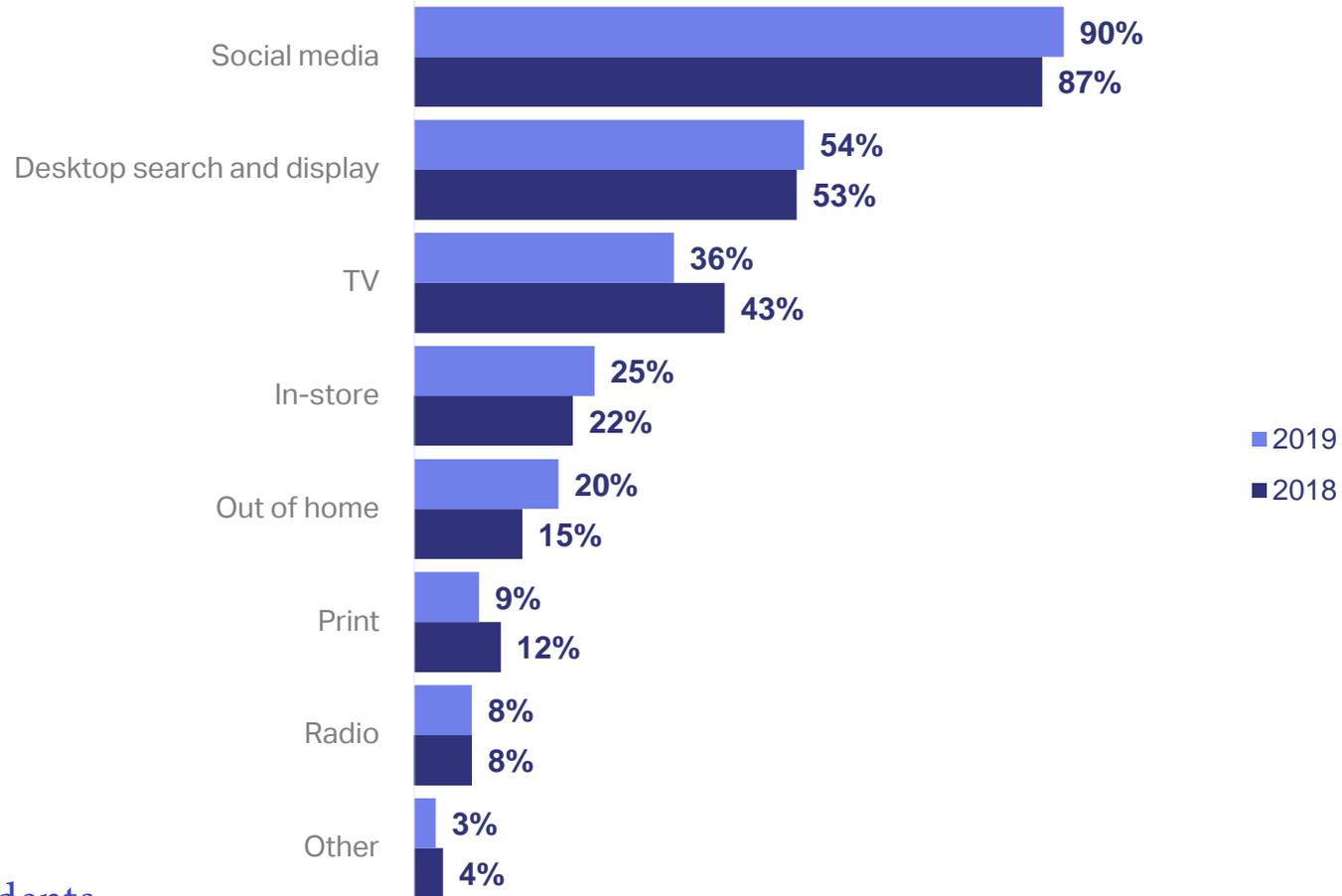
Mobile tactics and technologies



Key insights

- ✔ Social media remains the most frequently used media channel with mobile; Facebook is the most used platform but Instagram and YouTube are ones to watch
- ✔ Just under half of APAC marketers will use mobile web display this year, and 54% will use branded content in the next five years
- ✔ Mobile video and social advertising are the focus of 2019, but mobile-based location targeting is rising in usage
- ✔ Location data remains the most used mobile technology, but mobile wallet and AI are top choices to make an impact by 2024

Social media continues to be paired with mobile



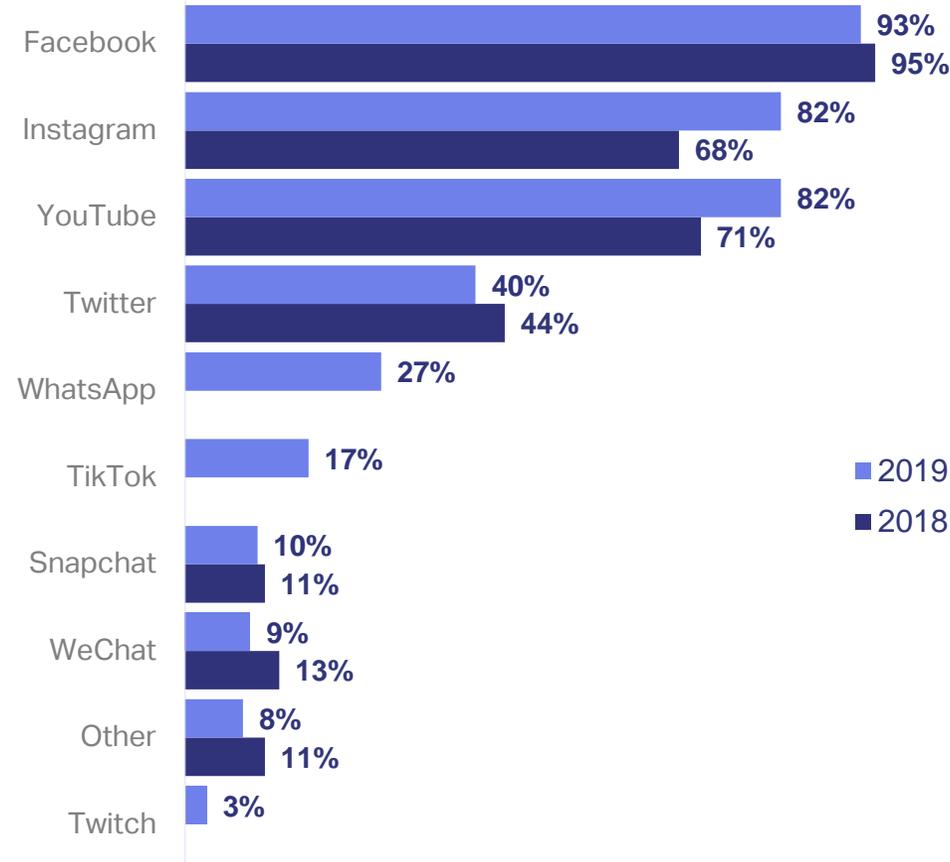
Commentary

- ✔ For the vast majority of marketers, social platforms remain widely used (90%) alongside mobile in campaigns, followed by desktop search and display being used by 54%.

All respondents

Q: In your experience with media plans, which media channels are used most frequently with mobile? 2018 n=332, 2019 n=564

Facebook is the most popular social media platform for mobile marketing



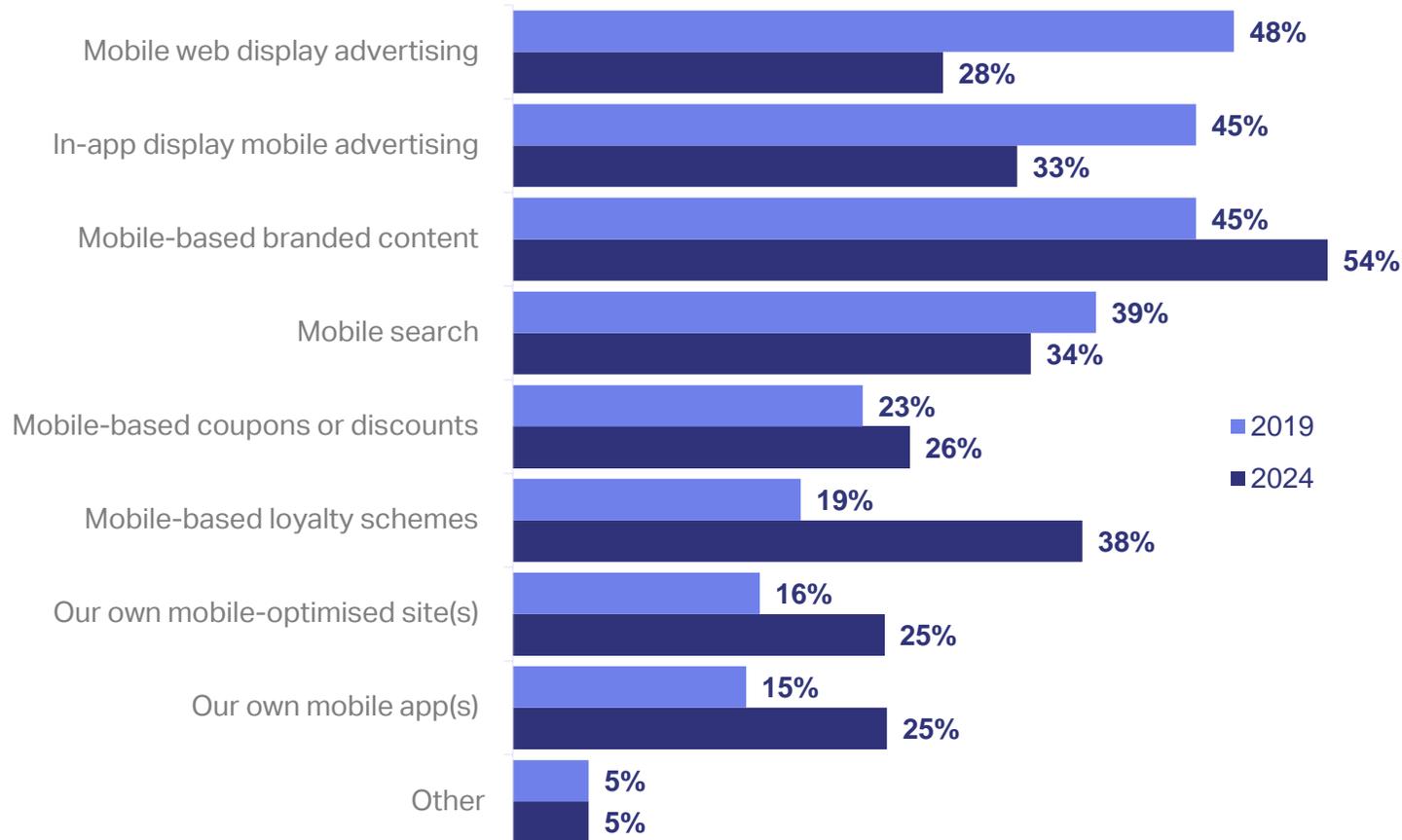
Commentary

- ✔ Facebook remains the most used social media platform at 93%: a slight decrease from 95% last year.
- ✔ Instagram, also owned by Facebook, has increased in usage by fourteen percentage points at 82%, compared to 68% in 2018. This shows that its [evolution](#), which recently included [Instagram Shopping](#), allowing marketers to directly monetise their presence on the platform.
- ✔ YouTube has also seen a significant 11 percentage point increase in usage which reflects research that shows it is one of the [top social platforms](#) in Asia.
- ✔ WhatsApp, Twitch and TikTok have been added in this year's survey.

All respondents

Q: Which social media platforms have you used for mobile marketing? 2018 n=262, 2019 n=437

Mobile web display remains a key focus, but branded content has long-term potential



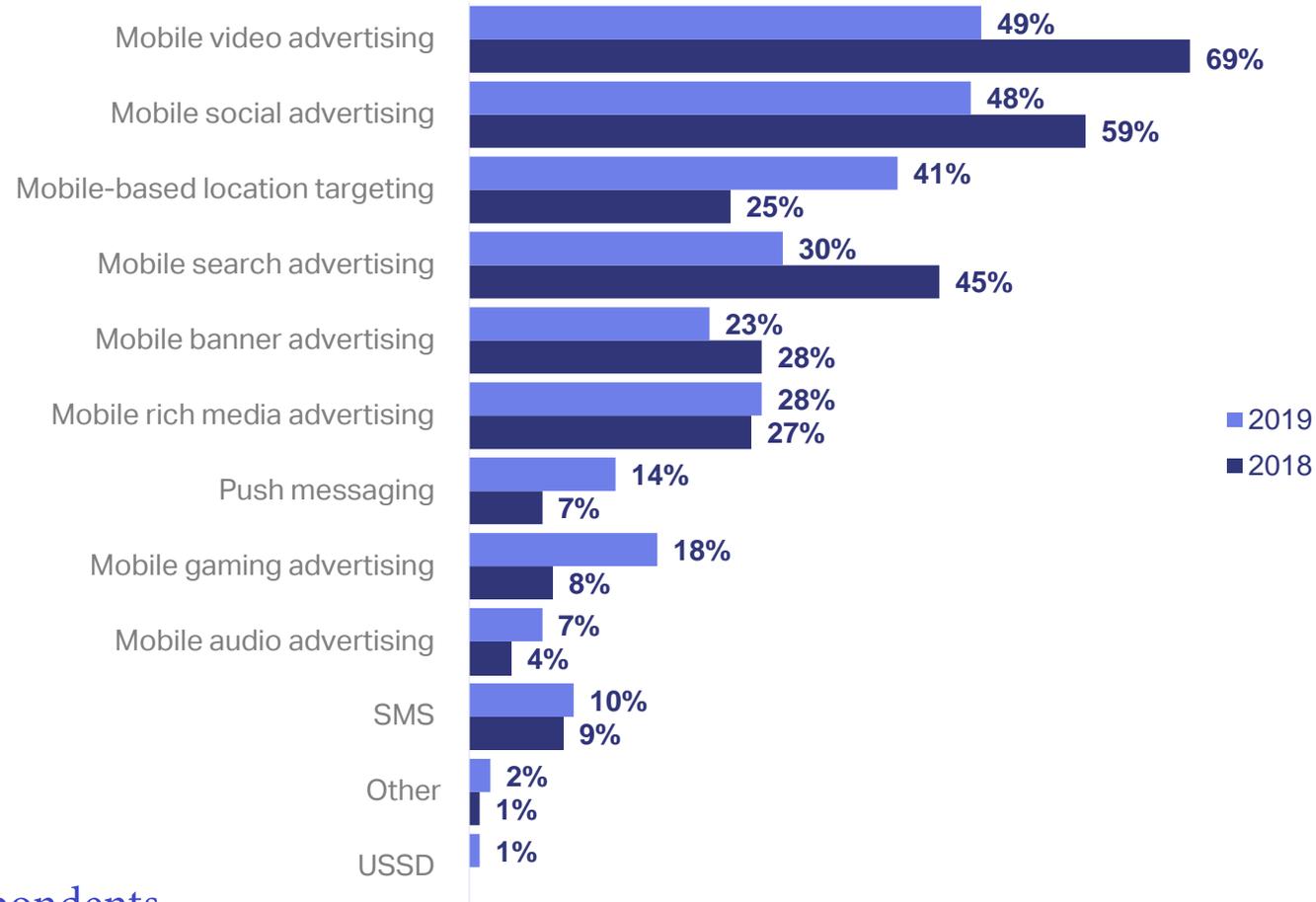
Commentary

- Over the next year, 48% of marketers are focusing on mobile web display advertising, and in-app display mobile advertising (45%), with fewer prioritising mobile sites (16%) and mobile apps (15%).
- Branded content remains the focus in five years' time at 54%. After content, mobile-based loyalty schemes (38%) and mobile search (34%) are seen as the next priorities.
- Respondents predict the biggest swing in usage over the next five years to be in mobile-based loyalty schemes. This year, 19% of respondents will focus on loyalty schemes, but in five years' 38% expect to be focusing on them.

All respondents

Q: Which types of mobile marketing and advertising are you/your clients focusing most on in your marketing activities in 2019 and in five years' time? n=546

Focus on mobile video and social advertising continues



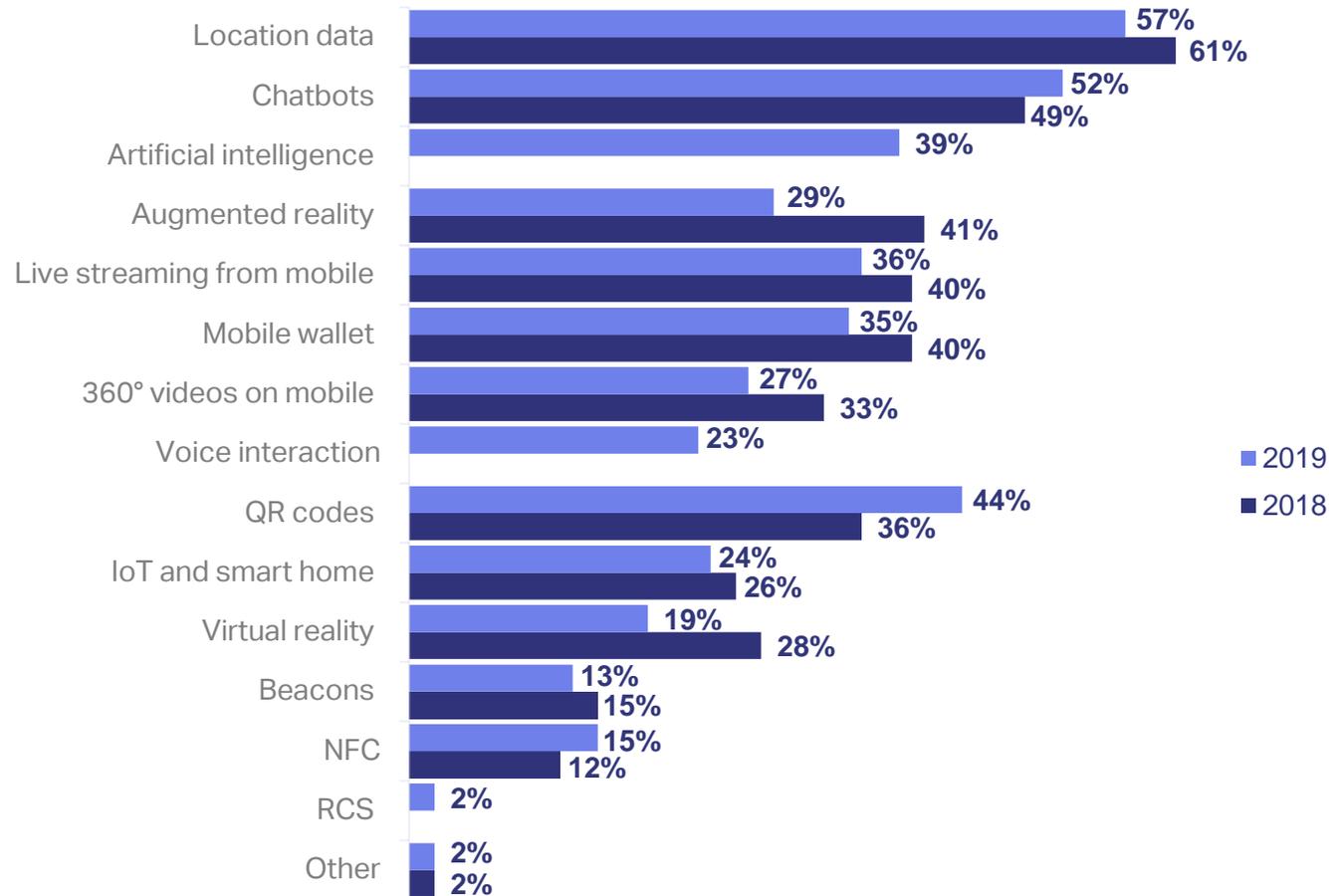
Commentary

- ☑ In APAC, mobile video advertising and social advertising are the main focus for 49% and 48% of respondents respectively, however both saw a significant drop of 20 and 10 percentage points this year.
- ☑ Contrastingly, mobile-based location targeting saw an increase of 16 percentage points, reflecting the importance of [location data](#).
- ☑ USSD was added as an option for this year's survey.

All respondents

Q: Specifically for mobile advertising, which of the following are you/your clients planning to focus on in 2019? 2018 n=197, 2019 n=536

Location data remains the most utilised mobile technology



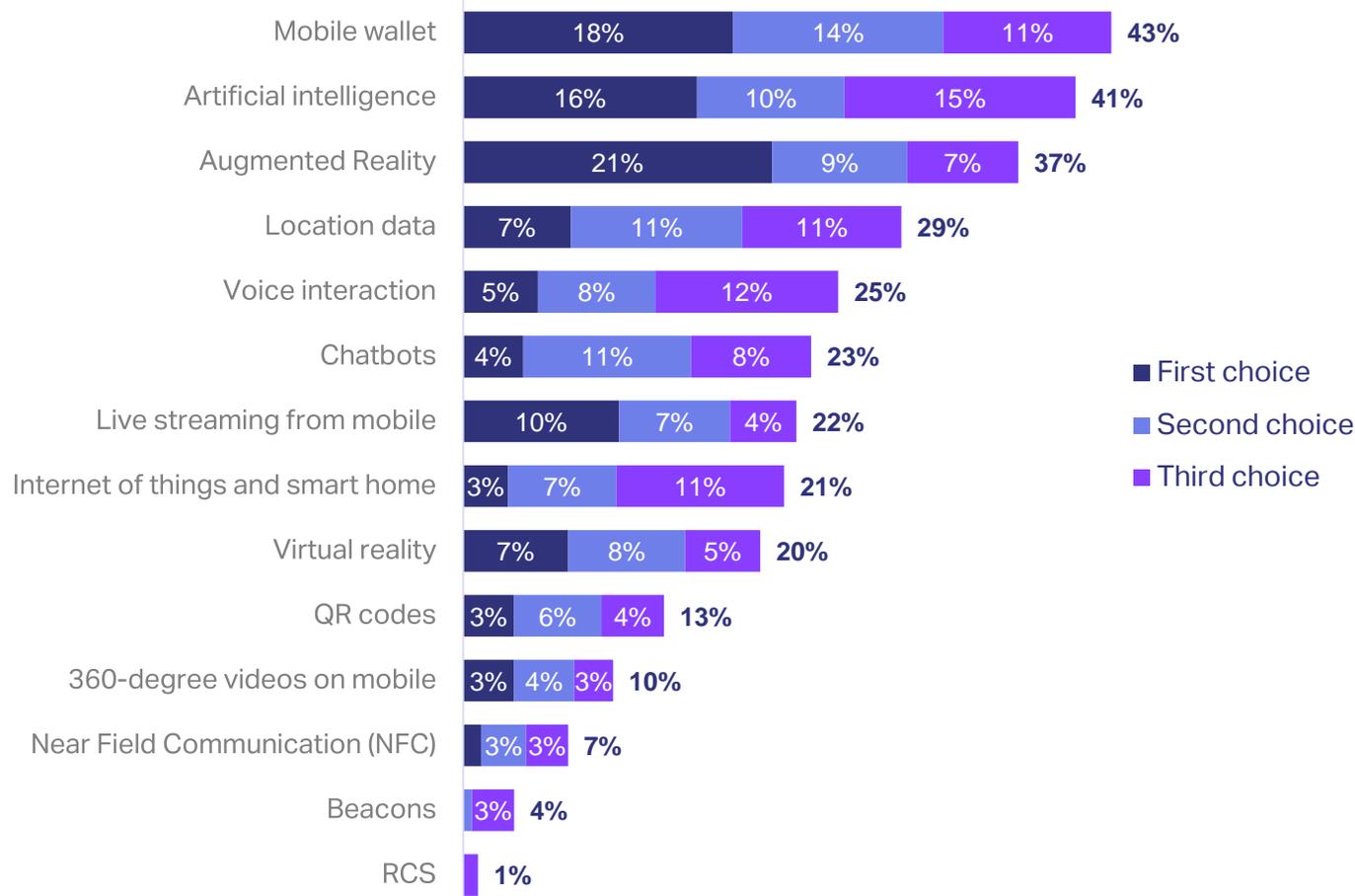
Commentary

- Location data continues to be the most utilised technology by mobile marketers, with 57% of respondents using or planning to use the data this year, albeit a small decrease from last year.
- Artificial intelligence, voice interaction and RCS were added to the survey as options this year. Just under 40% of respondents expect to use AI this year, and 23% expect to use voice technologies.

All respondents

Q: Are you/your clients planning to use any of the following and their associated mobile technologies in 2019? 2018 n=301, 2019 n=494

Mobile wallet and AI top technology choices in future mobile marketing



Commentary

- ☑ Respondents were subsequently asked to rank the three technologies they thought would be most significant in five years' time. With [mobile payments](#) remaining significant for marketers it is unsurprising that 43% of respondents chose mobile wallet technology to be most significant in five years' time.
- ☑ This is followed by artificial intelligence, which was selected by 41% of respondents. However, augmented reality had the biggest proportion of first choice selections at 21%.

All respondents

Q: Which of these technologies do you expect to be most significant in five years' time? n=500

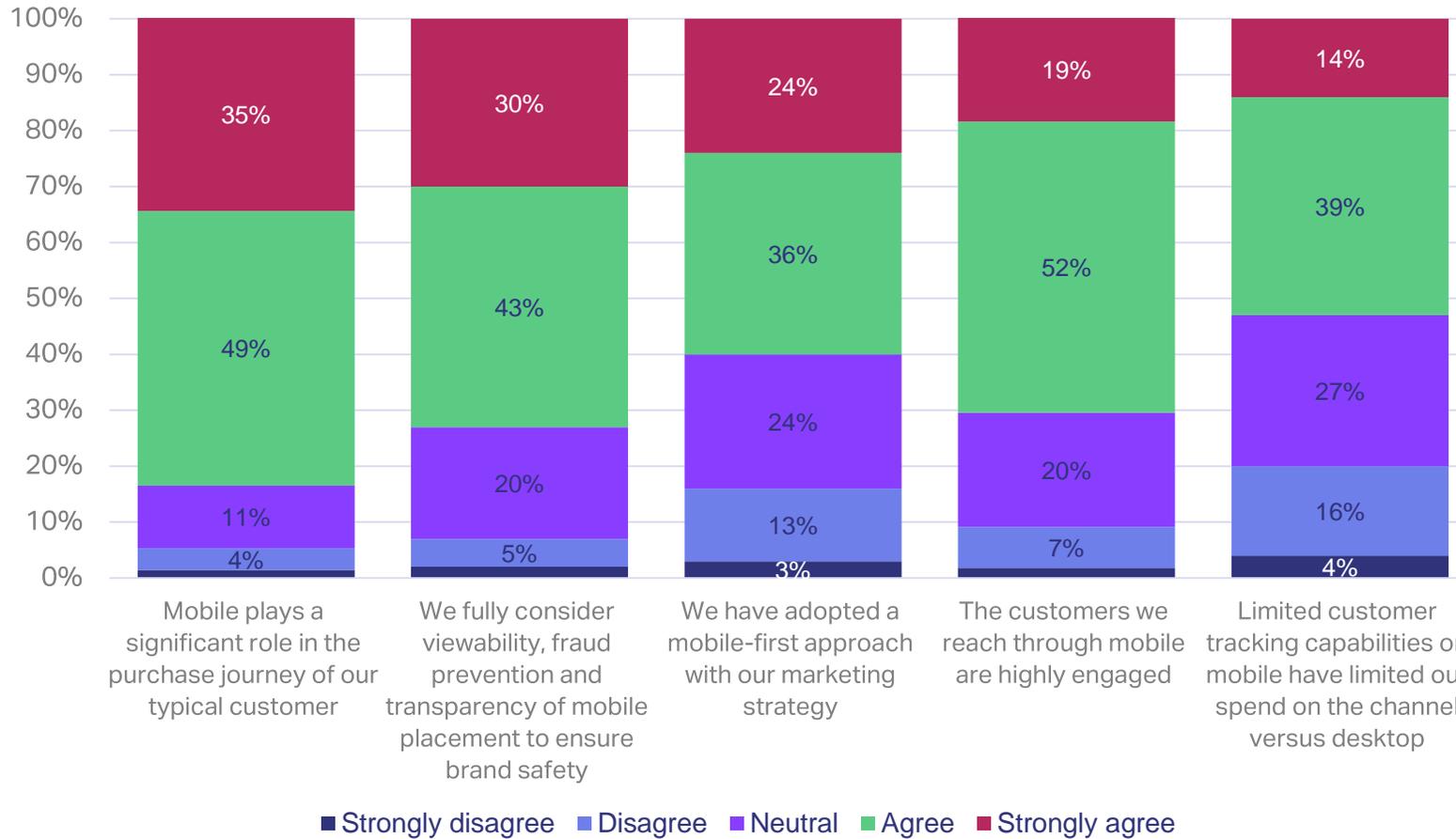
Chapter four

Barriers and challenges

Key insights

- ✓ Over 80% of marketers believe mobile plays a significant role in the purchase journey of their customers
- ✓ Measurement and ad fraud continue to present the biggest barriers to mobile marketing
- ✓ Engagement metrics like sharing and video completion rates remain the most used measurements for mobile marketing effectiveness

Marketers confident about the significance of mobile in customer journeys



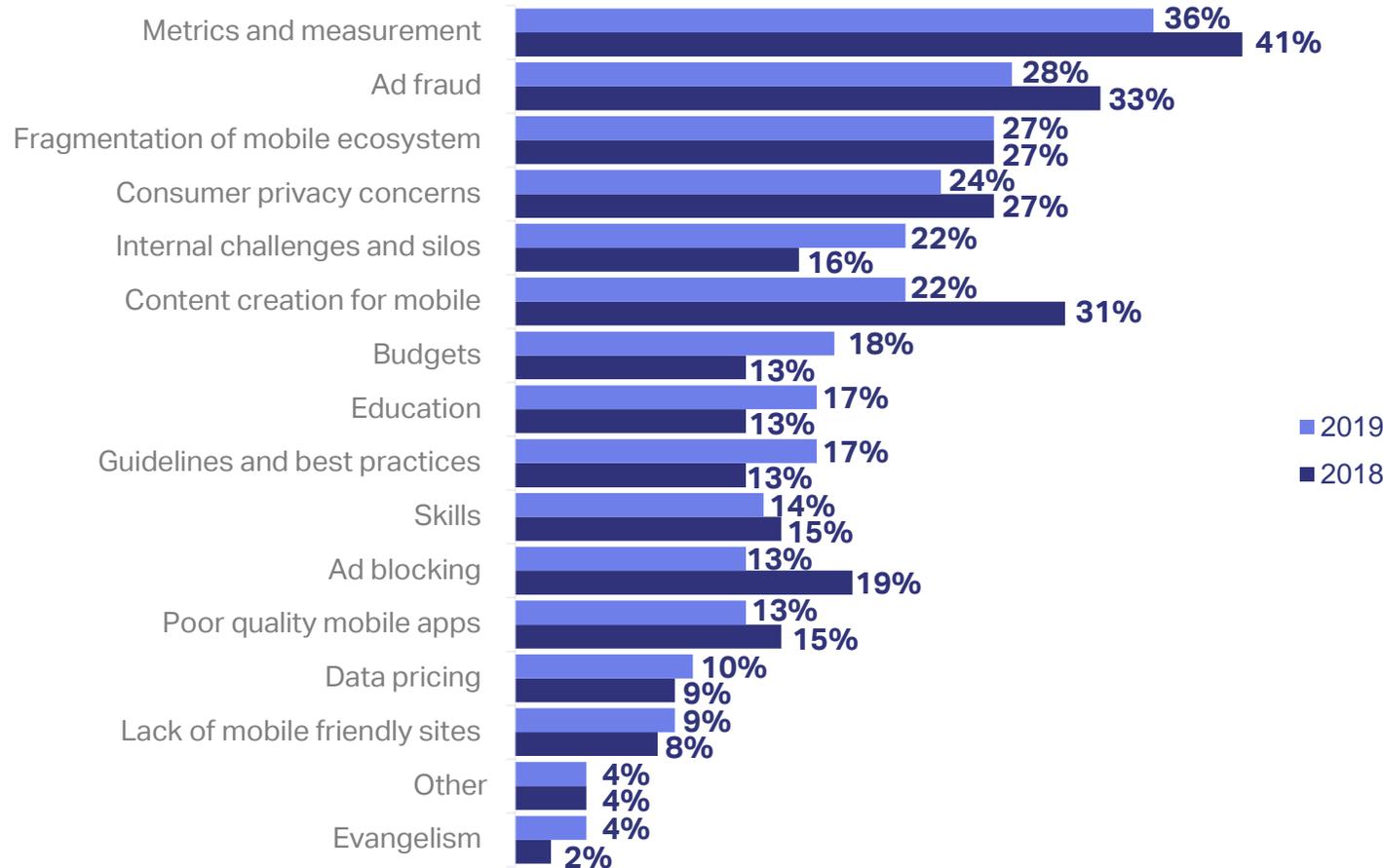
Commentary

- Over four-fifths of marketers (84%) believe that mobile plays a significant role in the purchase journey of their typical customer and 73% fully consider viewability, fraud prevention and transparency of mobile placement to ensure brand safety.
- At the other end of the scale, 20% of marketers disagreed that limited customer tracking capabilities on mobile had limited their spend on the channel and just 16% of marketers have not adopted a mobile-first approach with their marketing strategy.

All respondents

Q: To what extent do you agree or disagree with the following statements about mobile? n=617

Metrics and ad fraud remain biggest barriers for APAC marketers



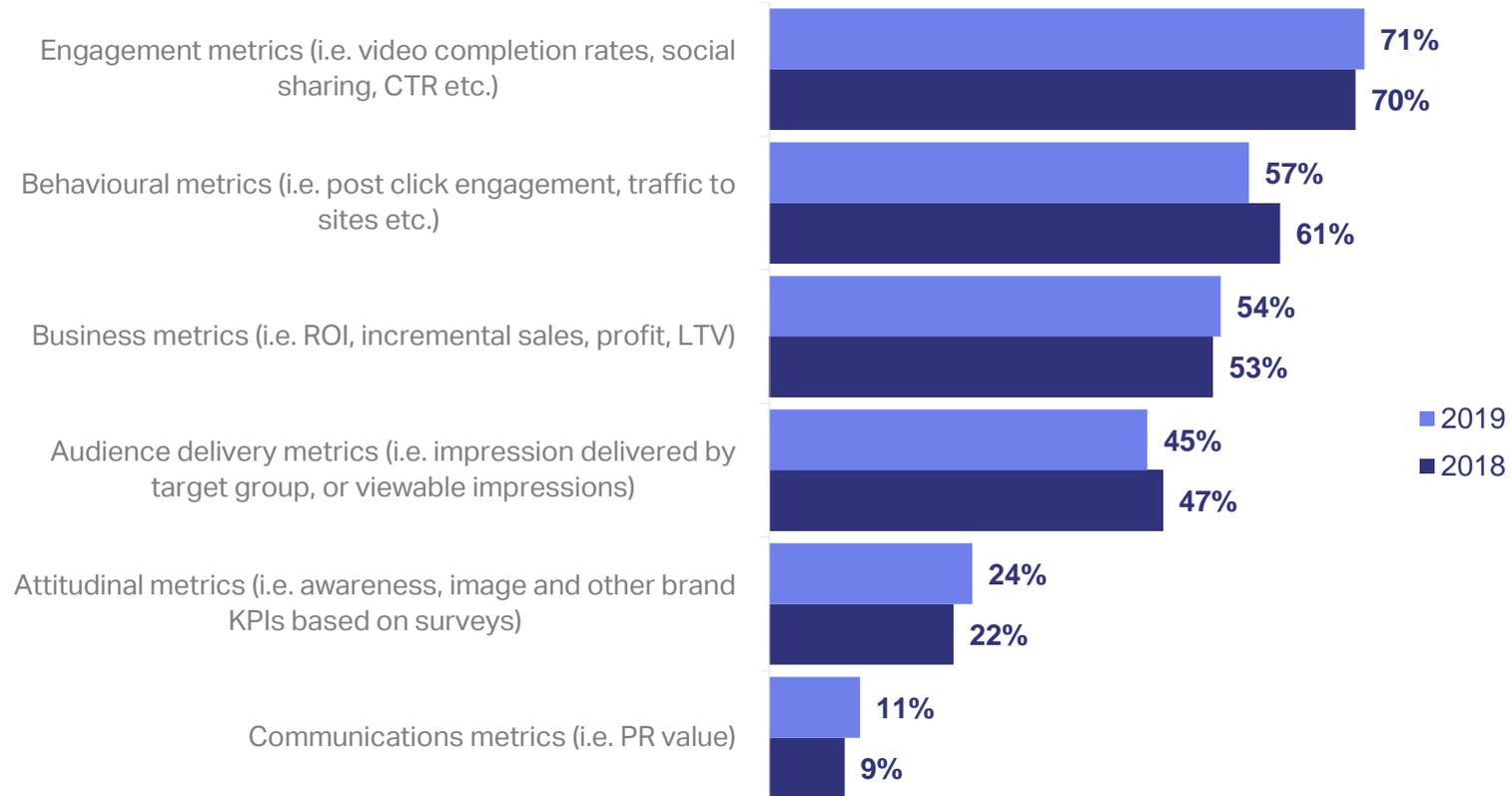
Commentary

- Despite 73% of marketers feeling confident that they [fully consider viewability, fraud prevention and transparency of mobile placement](#), metrics and measurements (36%) and ad fraud (28%) remain the biggest barriers to the growth of mobile in APAC, but both have seen a small decrease of five percentage points respectively.
- Internal challenges and silos was seen as a barrier for a higher proportion of marketers this year, increasing by six percentage points compared to last year, while content creation for mobile saw a drop in selection, from 31% to 22%.

All respondents

Q: In your opinion, what are the biggest barriers to the growth of mobile marketing and advertising in your region? 2018 n=363, 2019 n=656

Engagement metrics used to measure mobile marketing effectiveness



Commentary

- ☑ The majority of marketers continue to use engagement metrics to measure mobile marketing effectiveness (71%), with 57% using behavioural metrics, and around half use business metrics like ROI and sales.

All respondents

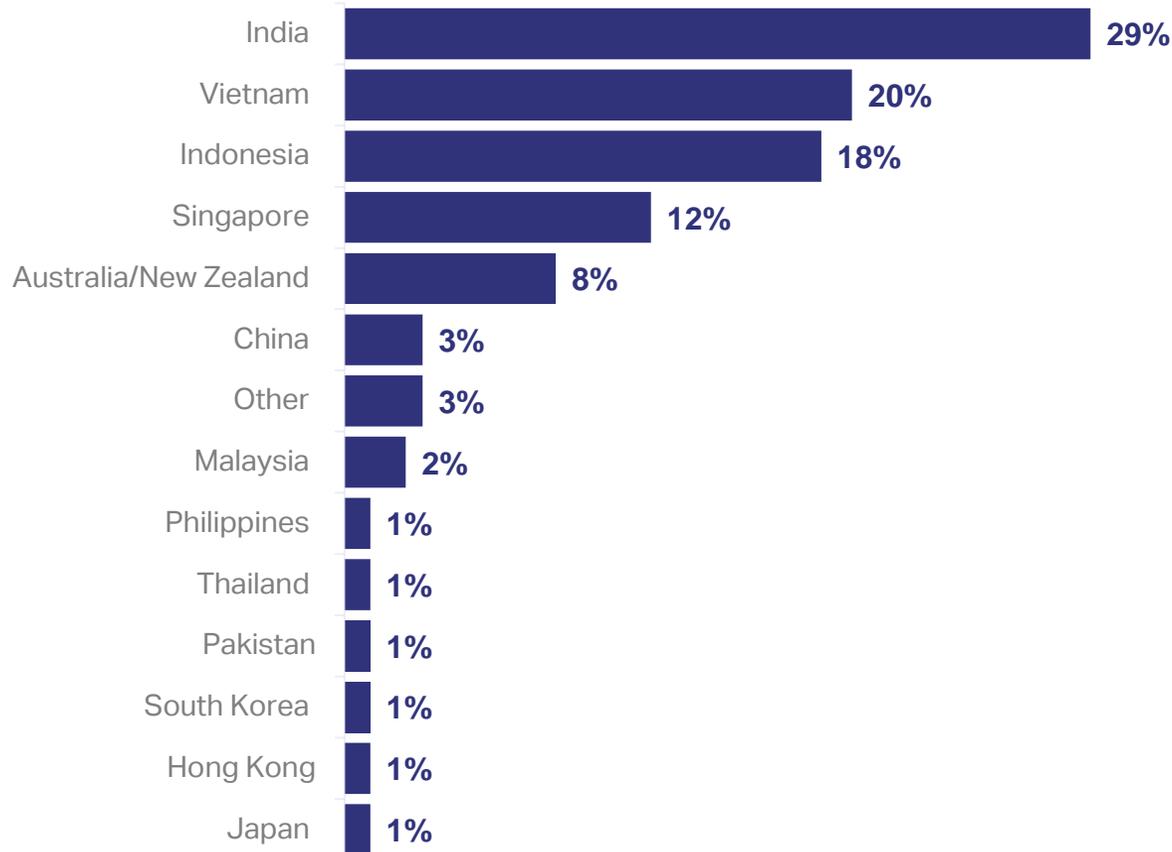
Q: Which of the metrics below do you or your clients most use to measure mobile marketing effectiveness? 2018 n=324, 2019 n=536

Chapter five

Demographics



764 marketing professionals from 23 markets across APAC



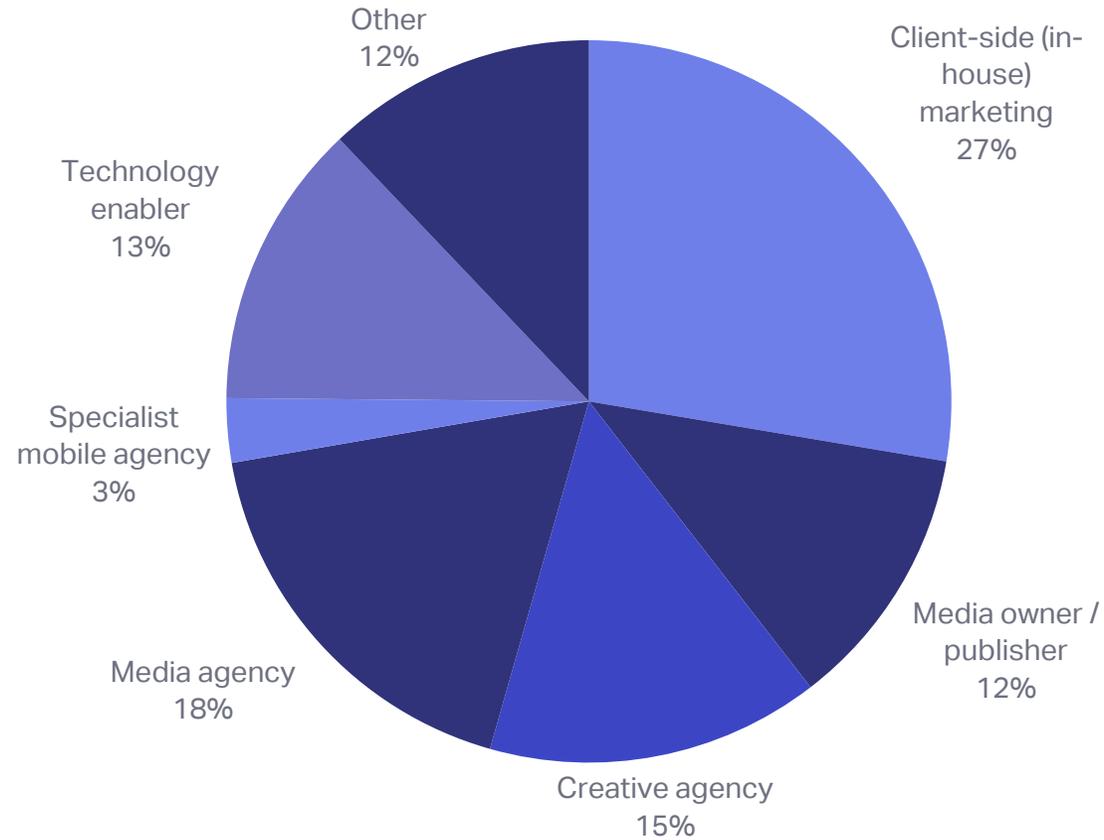
Commentary

- ☑ Respondents were based in countries across APAC, with just under 30% of people based in India.

All respondents

Q: In which country are you based? n=764

Respondent company types



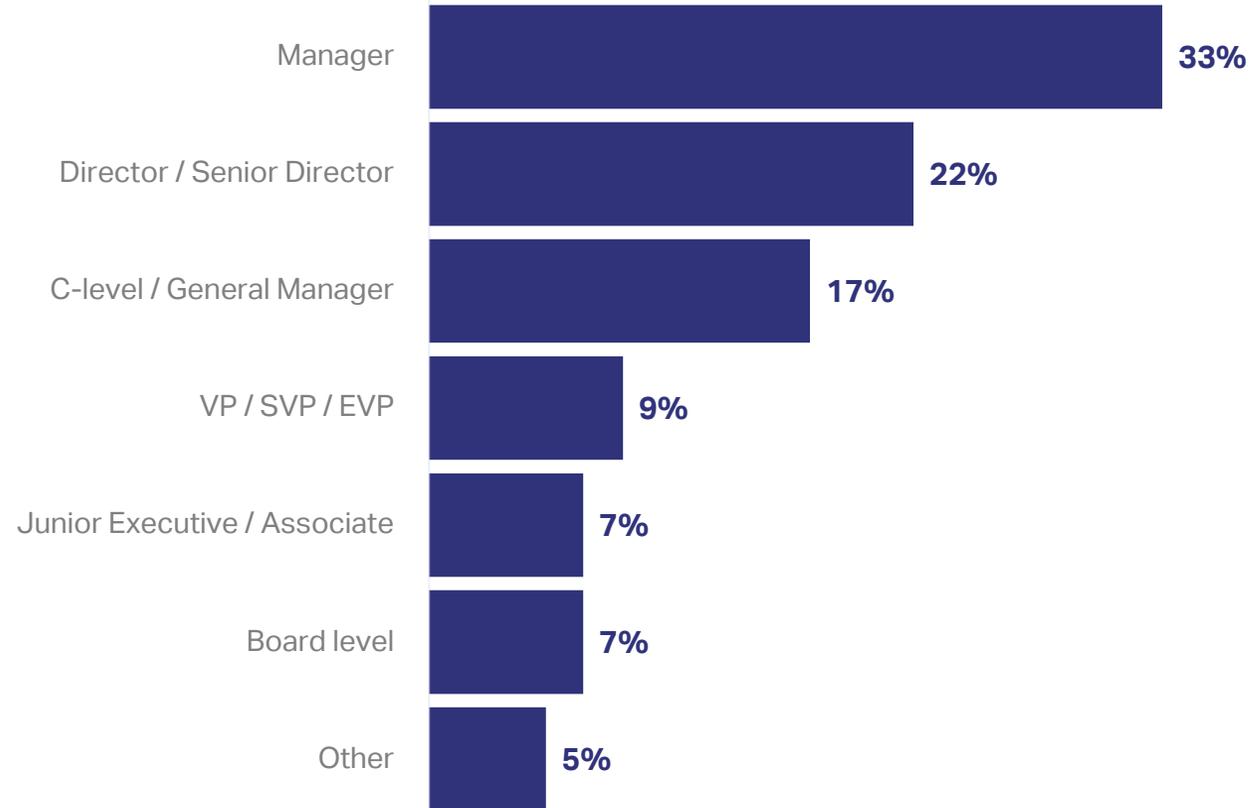
Commentary

- Over a quarter of respondents are brand-side marketers, working in-house (27%).
- 36% came from agencies, and the remainder from technology vendors, consultants and media owners.

All respondents

Q: What type of company do you work for? n=764

Respondent job roles



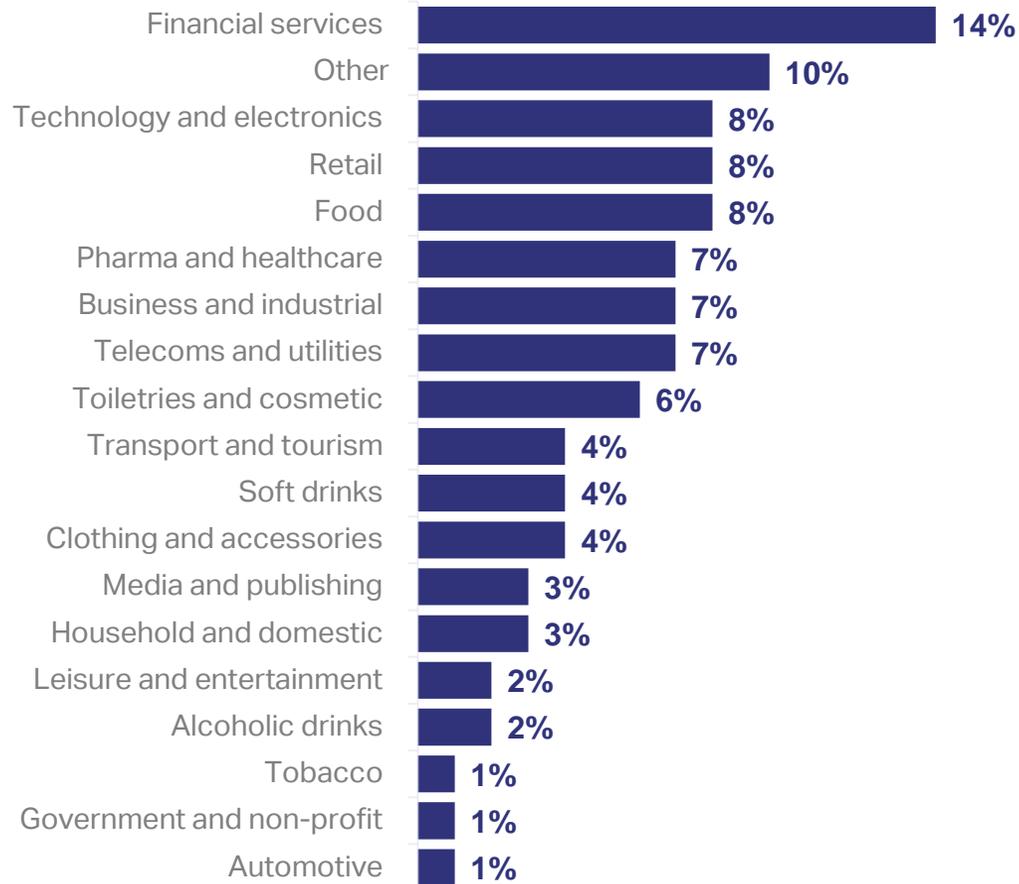
Commentary

- ✔ A third (33%) of respondents work as managers.
- ✔ 22% of respondents are directors and the rest comprise of general managers, executives, VPs and board level roles.

All respondents

Q: Which best describes your job role? n=753

Respondent sectors



Client-side respondents

Q: In which sector or industry do you work? n=199

Commentary

- ☑ Respondents from the client-side were based across a range of sectors, with the highest proportions working in financial services, other, and technology and electronics.

More from WARC

The WARC logo is displayed in white, bold, uppercase letters. The letter 'A' is stylized with a small triangle above it. The logo is positioned in the lower-left quadrant of the page, partially overlapping a large blue abstract shape that resembles a fan or a stylized letter 'A'.

About the study

This report is based on an online survey of 764 marketing professionals, carried out in March and April 2019.

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

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

About WARC

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

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

About the MMA

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

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