WARC

MOBILE MARKETING ASSOCIATION

The State of the Industry: Mobile Marketing in the UK 2019

Things to take from this report

1

Mobile disruption

Mobile continues to be a disruptive force across industries with leisure and entertainment leading the way in terms of innovation. Over half the surveyed marketing professionals are already feeling the disruption while over a third of respondents expect a bigger impact in the future.

2

Mobile strategy, budgets and integration

Marketers in the UK feel their organisations could be better prepared for mobile in terms of a clear learning agenda and an established strategy or plan. However, almost half have the executive support for mobile in place.

Mobile budgets are set to increase, with 36% of respondents now allocating more than a quarter of their marketing budgets to mobile, and 74% 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 continues to be at the core of mobile this year but marketers expect augmented reality and artificial intelligence to drive mobile growth in the UK by 2024.

Social media remains the most commonly used channel with mobile. Facebook is the most used platform, with Instagram overtaking YouTube to place second.

4

Barriers and challenges

Over three-quarters of marketers are confident that they fully consider viewability, fraud and transparency to ensure brand safety.

However, metrics and measurement and consumer privacy concerns are the main barriers to the growth of mobile marketing. This shows that there is still uncertainty one year after the implementation of GDPR.

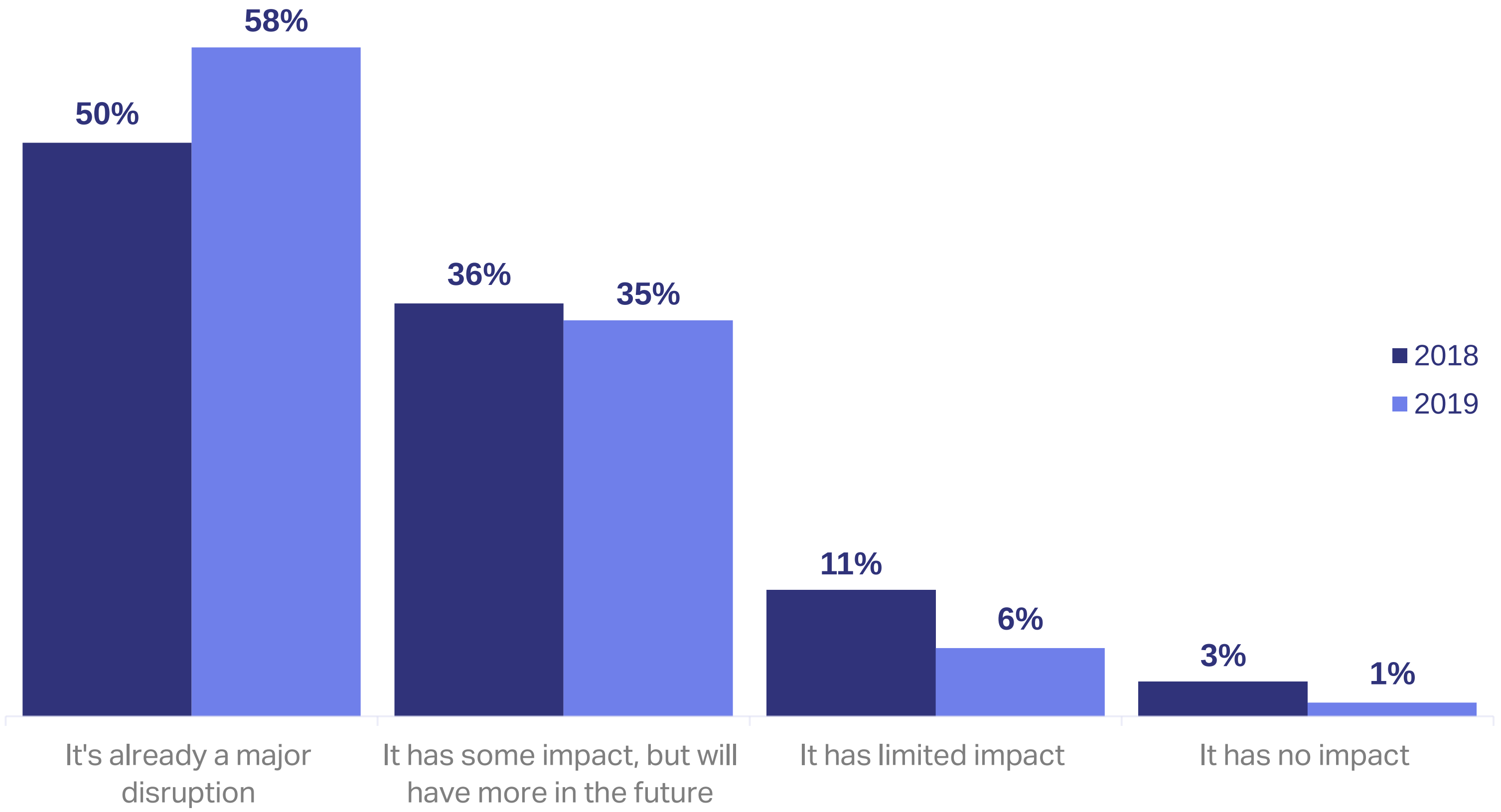
Chapter one

Mobile disruption and innovation

Key insights

- The disruptive force of mobile is felt across industries with over half of respondents seeing a major impact
- This impact is significant for media integration and its efficiency in driving sales
- Leisure and entertainment is seen as the most innovative sector in mobile, closely followed by financial services
- Amazon is regarded as the most innovative brand in the UK for the second year in a row

Mobile remains disruptive across UK industries



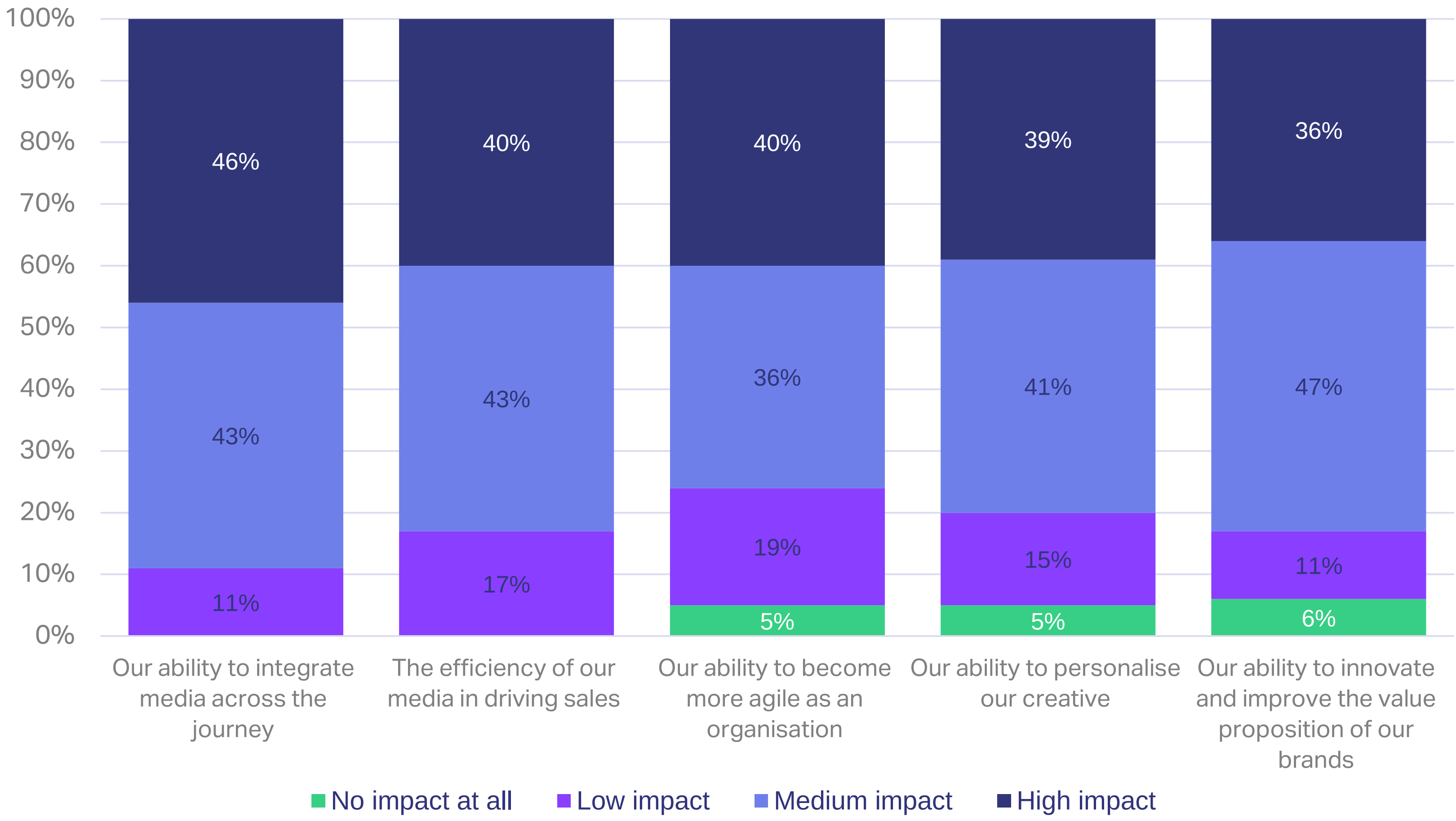
Commentary

- Mobile continues to have a large impact with a significant increase in the respondents that believe mobile is already a major disruption (58%).
- Alongside this, 35% 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=95, 2019 n=84*

Mobile has high impact on media integration and efficiency



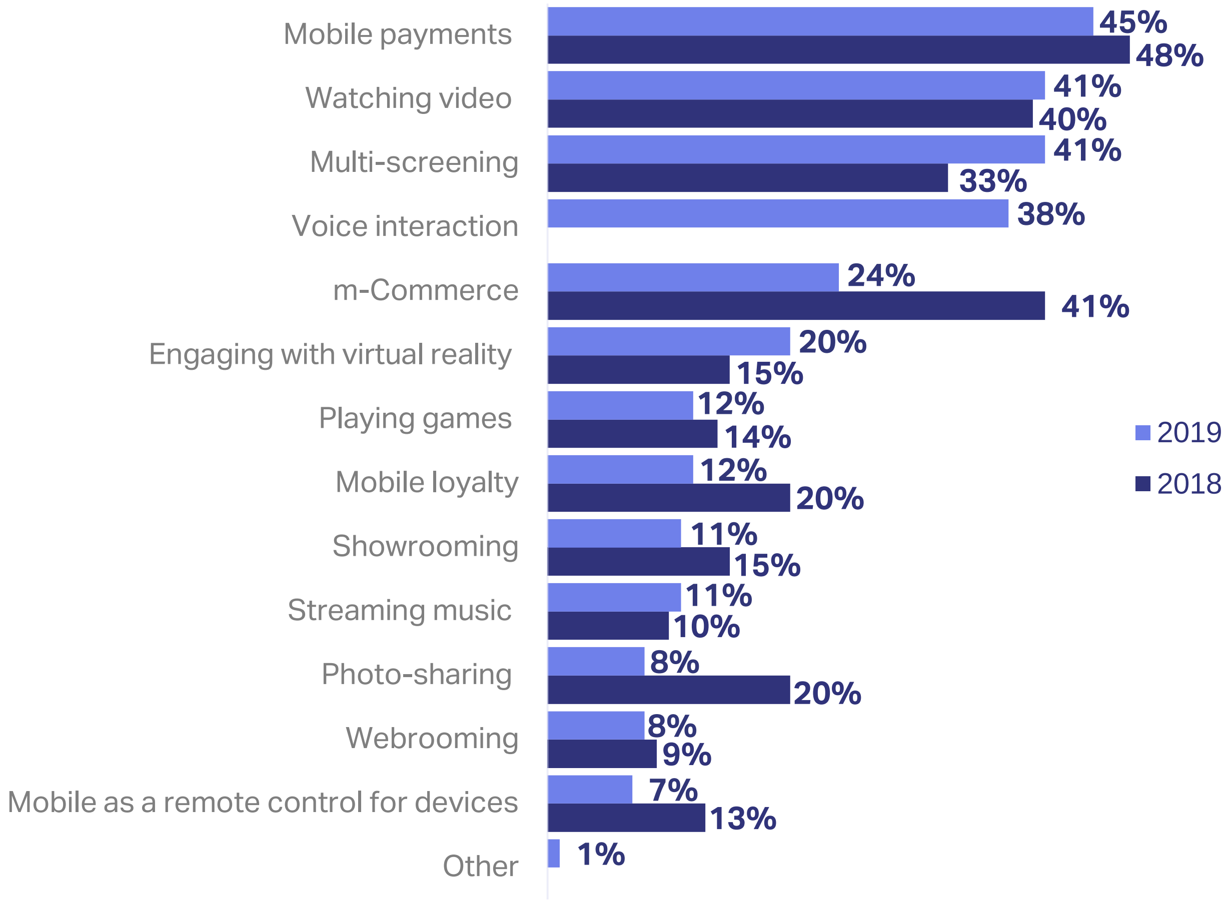
All respondents

Q: *What is the impact of mobile in each of the following marketing competencies? n=85*

Commentary

- The impact of mobile is evident as at least three-quarters of respondents say mobile has had a medium or high impact across all the marketing competencies listed.
- The biggest impact mobile has had is in its ability to integrate media across the journey (89%) and help the efficiency of media in driving sales (83%).

Marketers perceive mobile payments to be a key consumer behaviour



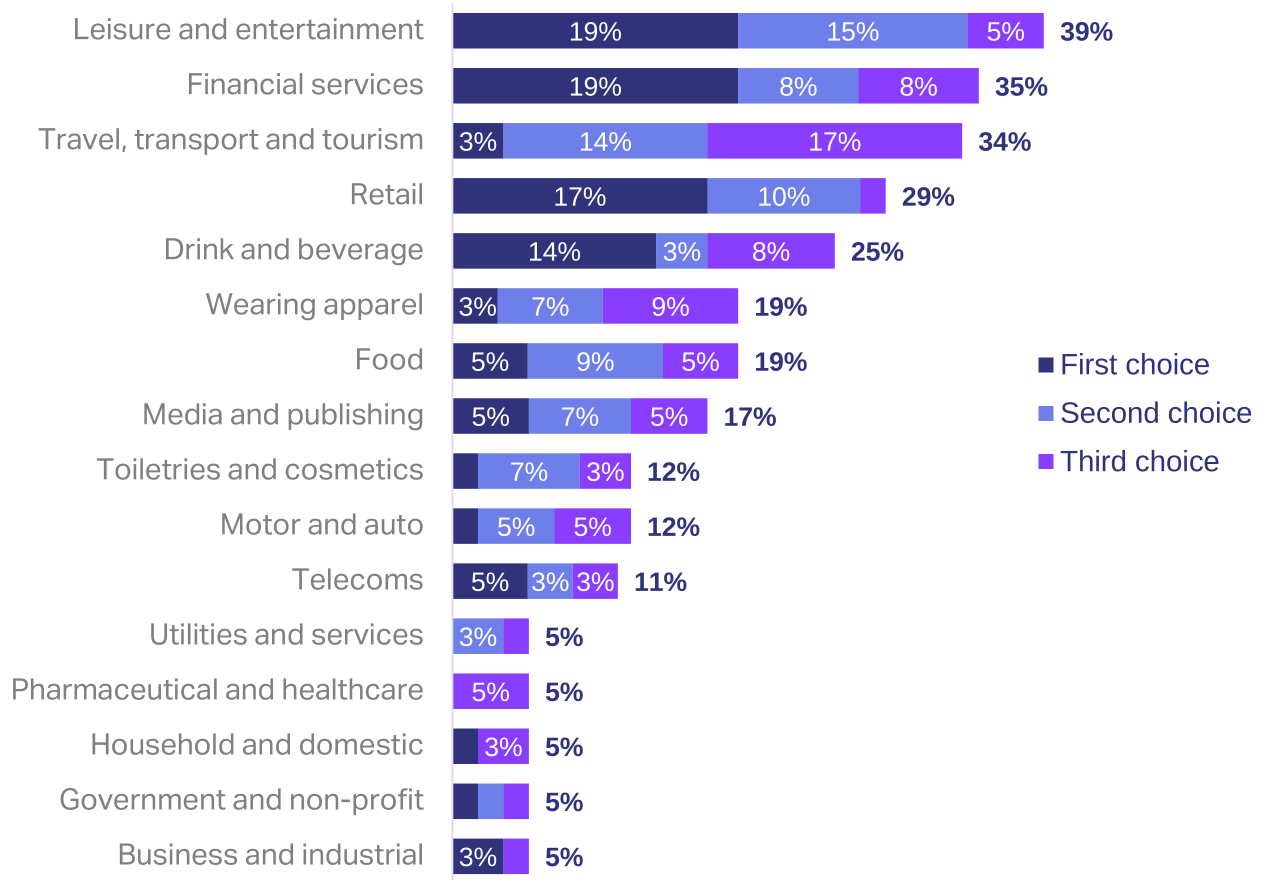
All respondents

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=79, 2019 n=74*

Commentary

- Mobile payments remain important for marketers in the UK with 45% of respondents placing payments through mobile as a key consumer behaviour – a slight decrease from 2018.
- Voice interaction was added as an option for this year's survey due to the increase in popularity of voice activated devices such as Amazon's Alexa and Google Home. It has already become a noteworthy behaviour for the marketing industry, selected by 38% of respondents.
- m-Commerce has decreased from 41% in 2018 to 24% in 2019, a 17 percentage point decrease, but there is an evident crossover between this and mobile payments.

Leisure and entertainment 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 the UK.
- Leisure and entertainment came out on top, selected in total by 39% of respondents and ranked in first by 19%.

All respondents

Q: *In which sectors in the UK are you seeing the most innovation in mobile in the way that they are using mobile to reach customers? n=59*

…while Amazon is seen as the most innovative brand in the UK

1

"They provide ubiquity and permanence in the day to day consumer purchase journey."

2

Commended for effective use of video and mobile with audiences.

=3

"They are content first with seamless mobile integration from their content to mobile-specific e-commerce."

Praised for use of VR and AR as well as understanding the consumer.

Commentary

- When asked about the most innovative brand in their region, Amazon was cited by the highest number of marketers, followed by Facebook, IKEA and Under Armour.
- In 2018, 1, 2 and 3 were Amazon, Samsung and Nike respectively. While Amazon has remained in the top three, Facebook, IKEA and Under Armour are new entries.
- Reasons from survey respondents are shown below, describing why each was deemed the most innovative brand.

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 the UK? n=31*

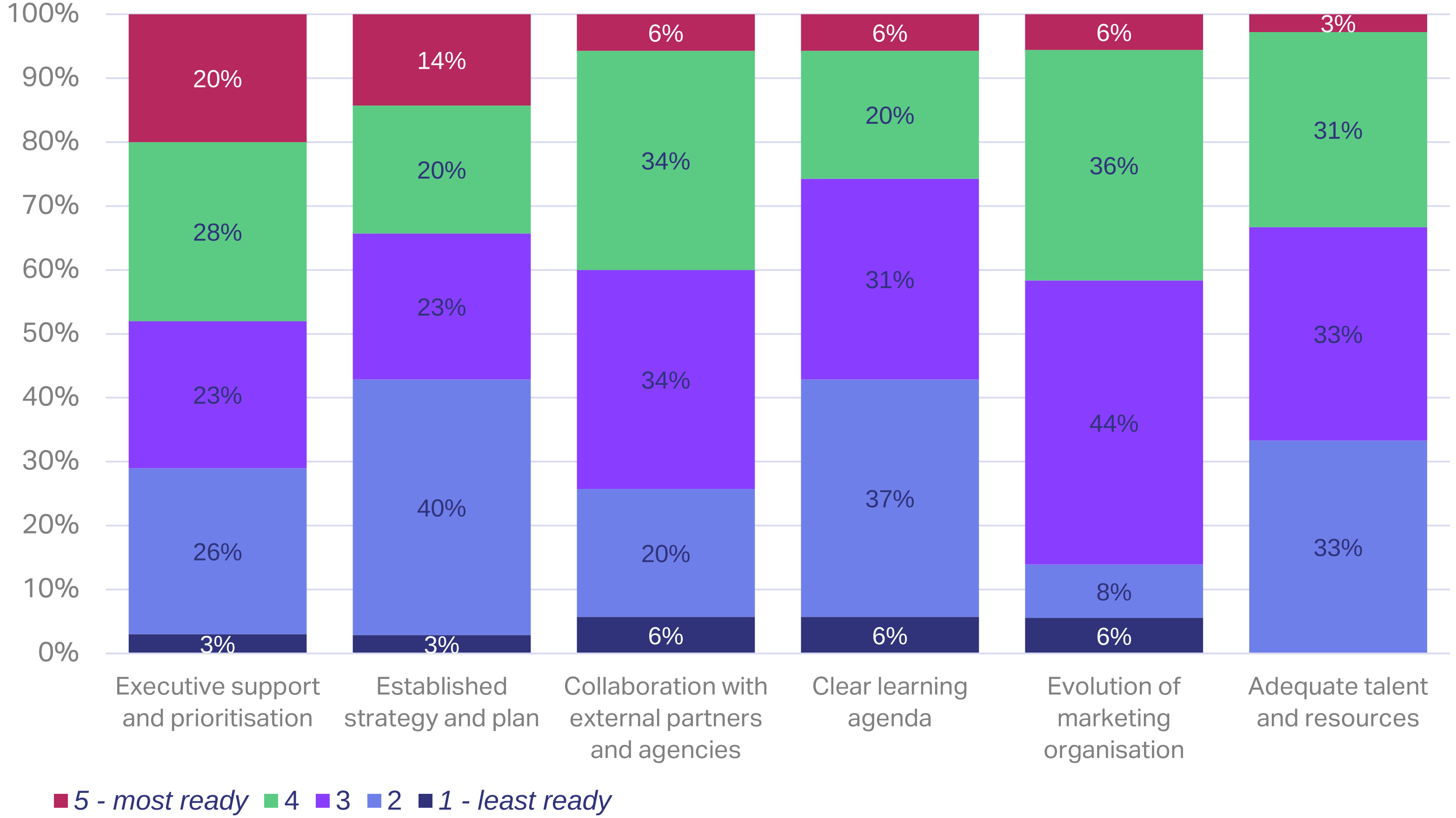
Chapter two

Mobile strategy, budgets and integration

Key insights

- For both clients and agencies, mobile in the UK is lacking a clear learning strategy
- Over a quarter of people predict that they will spend more than 30% of their budget on mobile over the next year
- 78% of marketers will invest up to a quarter of their budget on marketing technology in 2019

Clients are conflicted in readiness for mobile adoption



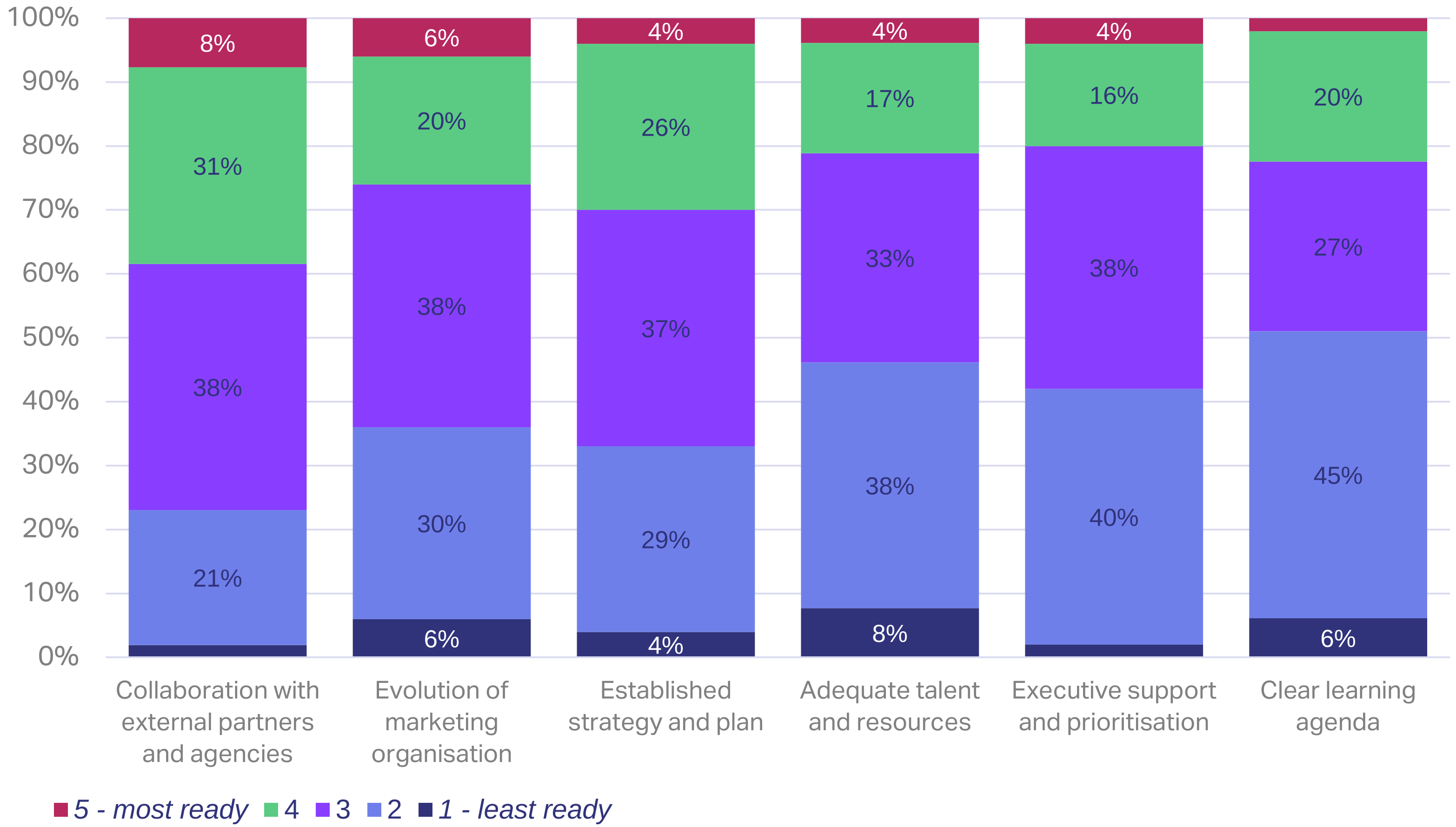
Client-side, media owner and tech vendor respondents

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=36*

Commentary

- The parameter where the greatest proportion of client-side, media owner and tech vendor respondents feel 'ready' (4 or 5) for mobile adoption is in having the executive support and prioritisation at 48%, a slight decrease on last year's 52%.
- Talent and resources, and a clear learning agenda for mobile adoption appear to be sticking points for mobile marketers in the UK, with 43% of respondents saying that they were not ready (1 or 2) in terms of a learning agenda, and only 3% saying that they were most ready (5) in terms of talent and resources.

Agencies feel their clients have work to do in mobile adoption



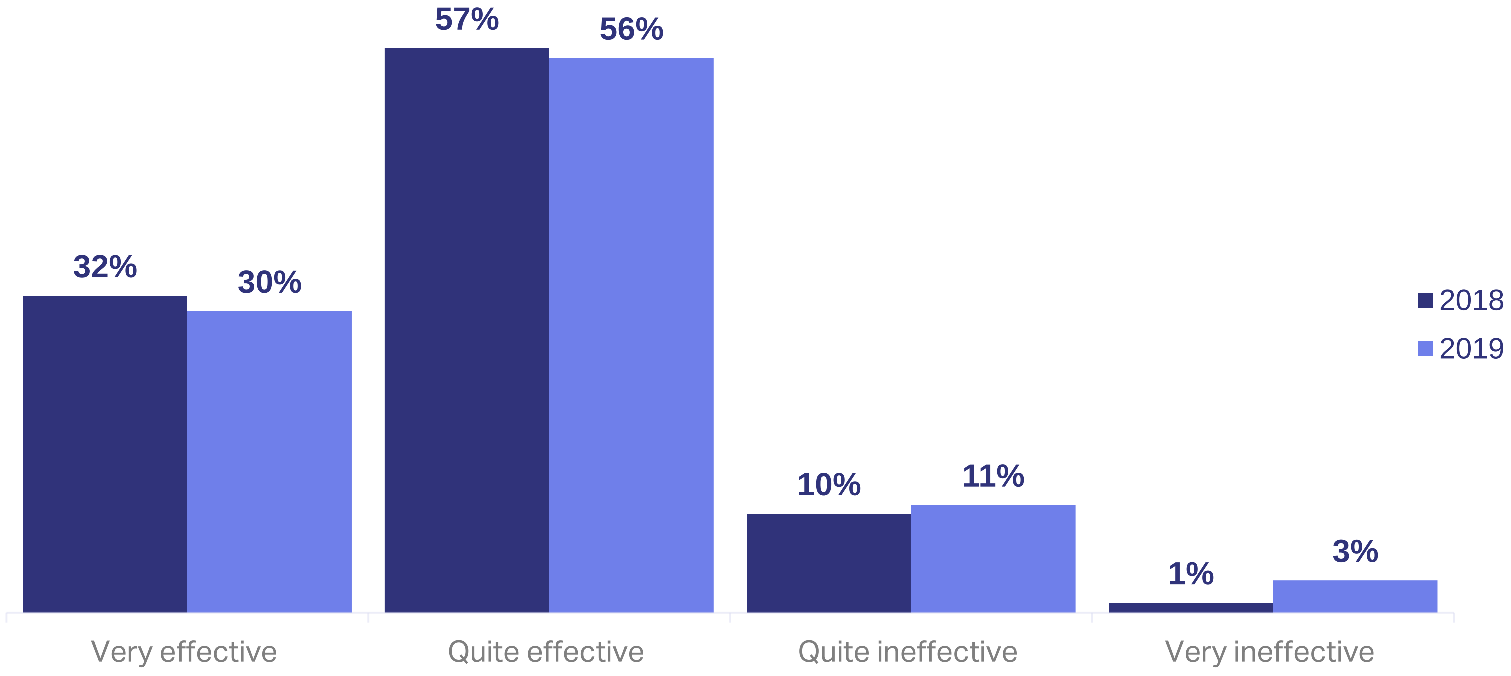
Agency respondents

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=52*

Commentary

- Agencies are less confident in their clients' readiness overall. Unsurprisingly, collaboration with external partners was where agencies felt their clients were most prepared, but, at the other end of the scale, only 20% felt their clients have the internal support they need.

Potential of mobile is yet to be reached for the majority



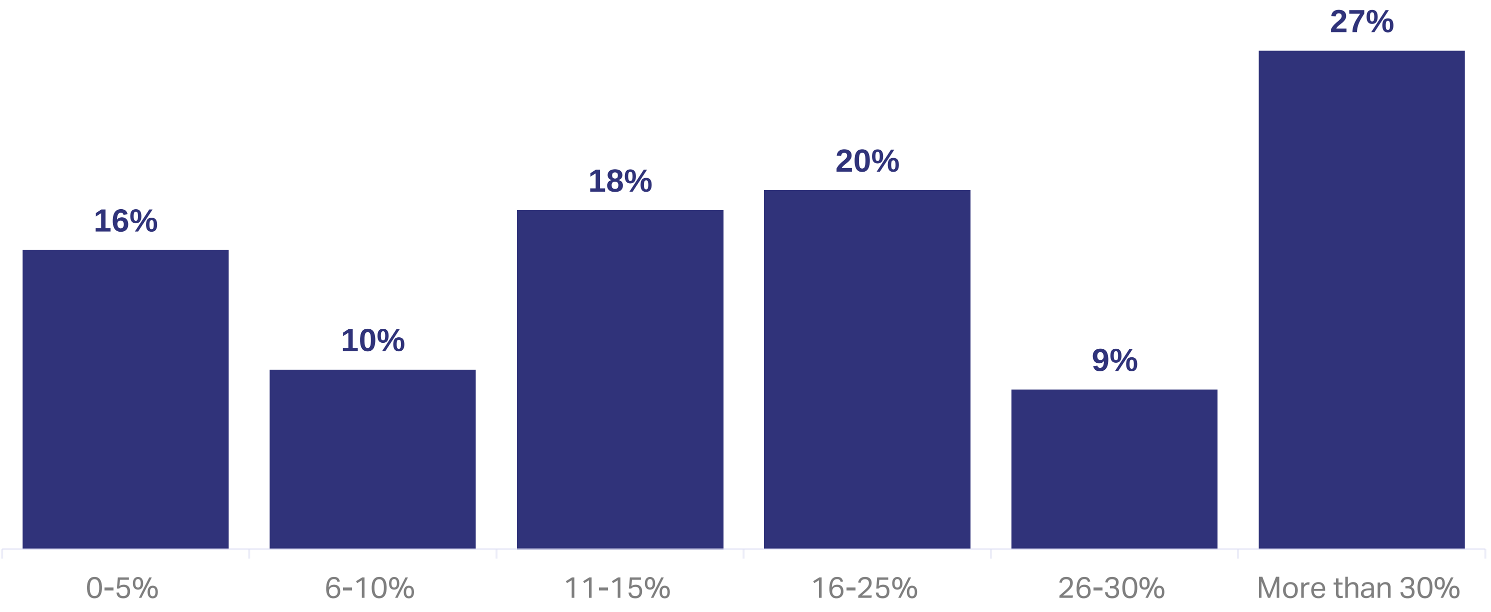
All respondents

Q: *In your experience, how effective are mobile devices or networks as a marketing channel? 2018 n=97, 2019 n=92*

Commentary

- Although 86% of respondents find mobile effective as a marketing channel, for the majority of those respondents mobile is not as effective as they would like it to be.

Mobile budget allocation is above 30% for over a quarter



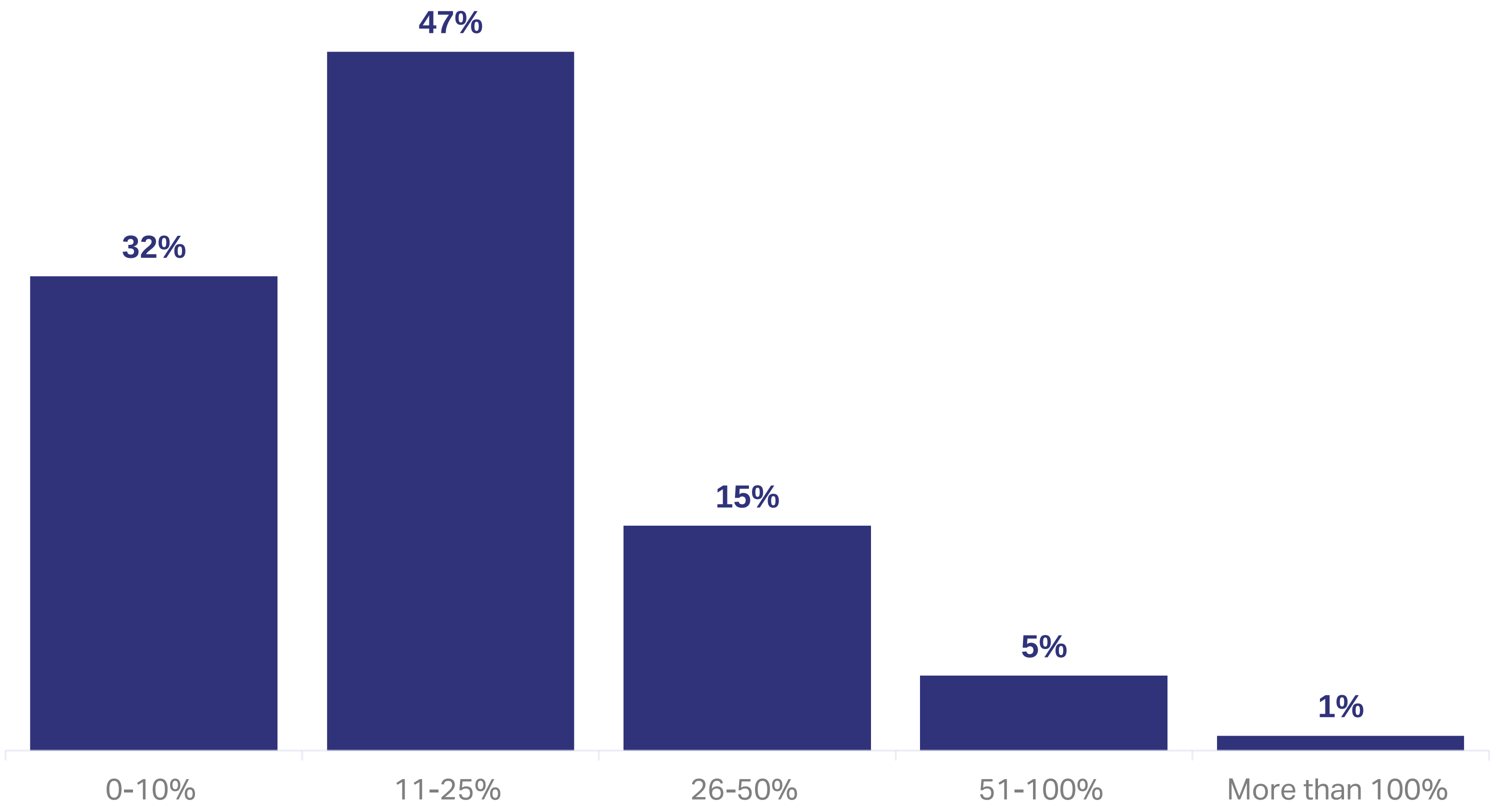
Commentary

- Just over a quarter of respondents (27%) allocate more than 30% of their budget to mobile. This means that 36% of companies allocate more than a quarter of their budget 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. Just under three quarters of respondents expected their mobile budget to increase (74%), and a small percentage of respondents thought it would decline (5%).

All respondents

Q: *What percentage of your, or your clients', typical marketing and advertising budgets are being allocated to mobile marketing and advertising? n=92*

The majority expect an increase of up to 25%



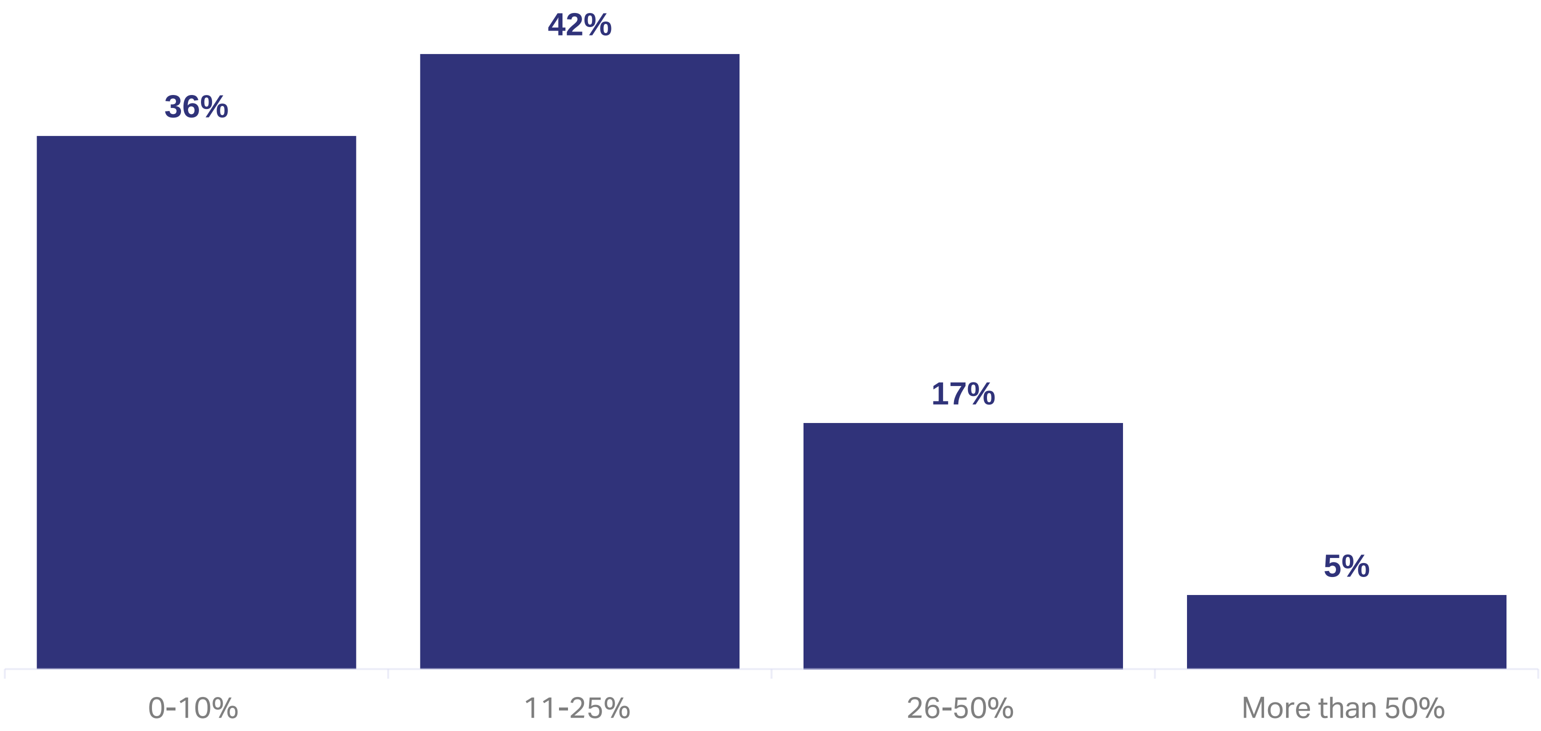
Commentary

- Of those expecting their mobile budgets to increase over the next year, 79% of respondents expected increases of less than 25%, with 1% of respondents predicting a budget increase of more than 100%.

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=60*

Budget allocation makes room for martech



Commentary

- Over three-quarters of respondents (78%) said they would allocate up to 25% of their budget on marketing technology. This aligns with research that suggests martech budgets are expected to increase over the next year.

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=72*

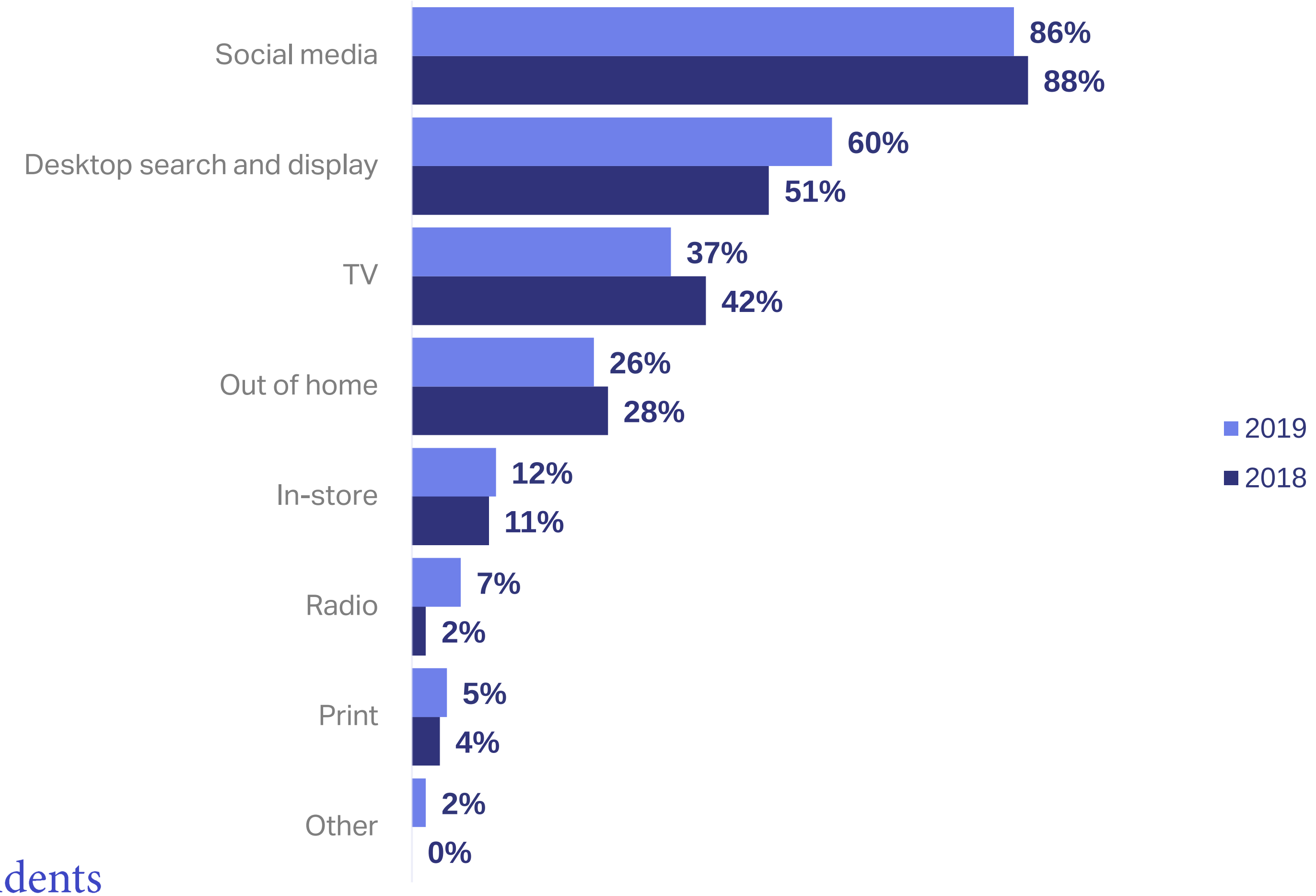
Chapter three

Mobile tactics and technologies

Key insights

- Social media remains the most frequently used media channel with mobile; Facebook is the most used platform
- Mobile web display is the focus for 46% of UK marketers this year, and 53% will use branded content in the next five years
- Mobile video and social advertising continues to be the focus of 2019
- Location data continues to be the most commonly used mobile technology, but AR and AI are top choices to make an impact by 2024

Mobile and social media most frequently paired



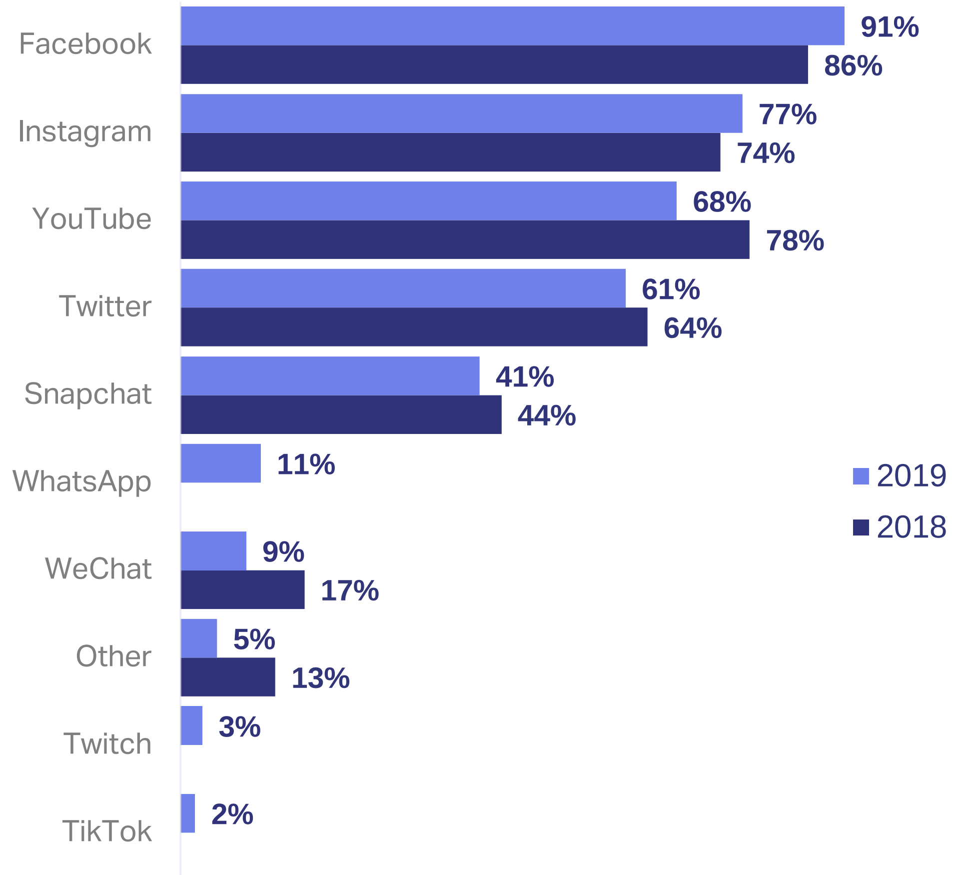
All respondents

Q: *In your experience with media plans, which media channels are used most frequently with mobile? 2018 n=85, 2019 n=84*

Commentary

- Social media continues to be the most used media channel with mobile (86%), with advertising options on platforms such as Instagram, Snapchat and Facebook growing increasingly diverse.
- Social is followed in popularity by desktop search and display, used by 60% of respondents, a nine point percentage point increase from 2018.

Facebook remains the most frequently-used social media platform



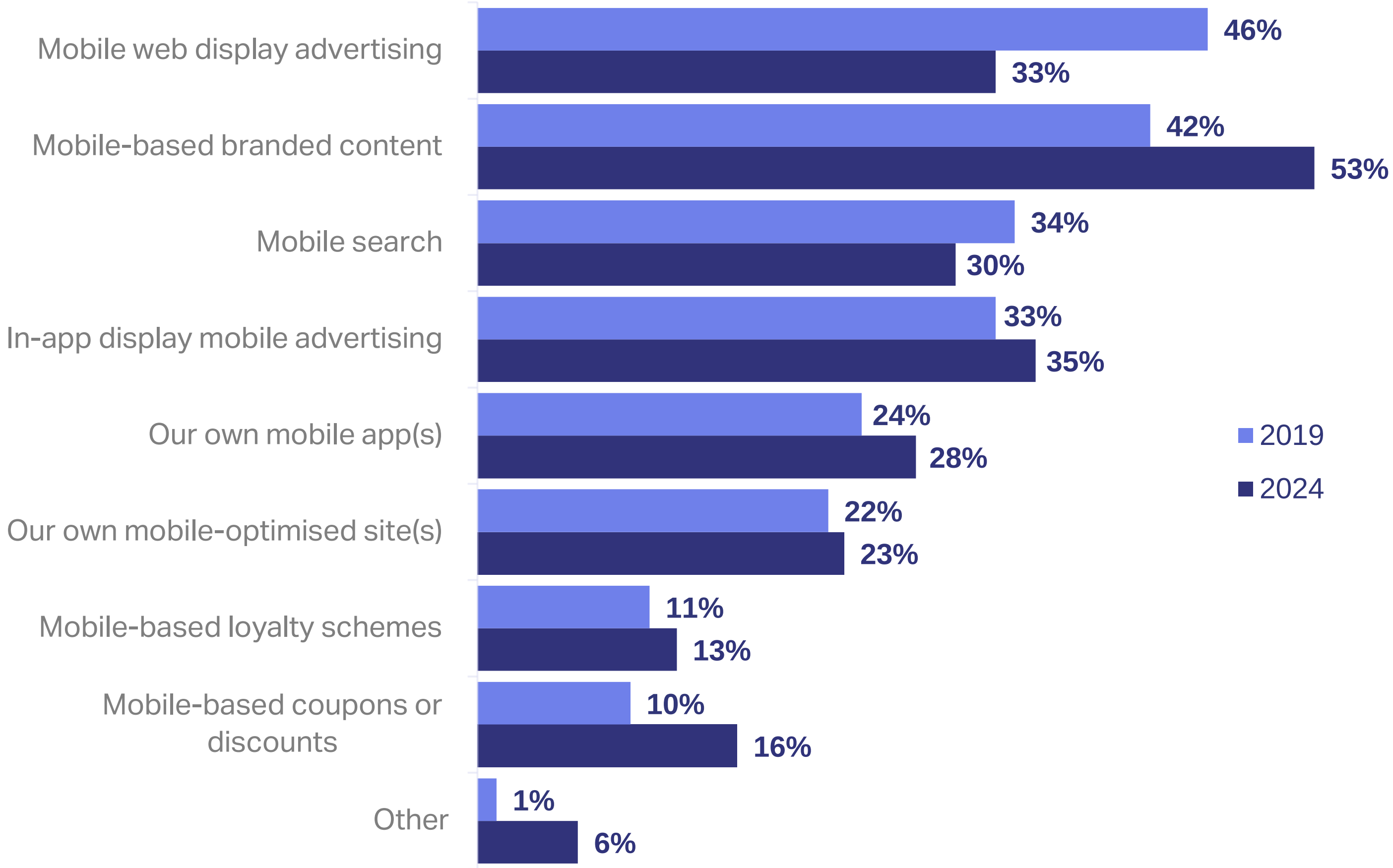
All respondents

Q: *Which social media platforms have you used for mobile marketing? 2018 n=72, 2019 n=66*

Commentary

- Facebook remains the most used social media platform at 91%, a five percentage point increase from 86% in 2018.
- With the use of YouTube decreasing by 10 percentage points (68%), this means that Instagram, also owned by Facebook, overtook the video platform with a three percentage point increase at 77%, compared to 74% in 2018.
- Advertising on YouTube is becoming uncertain as research shows the lack of transparency around content guidelines on YouTube means advertisements on the platform risk brand safety and have the potential to decrease consumer engagement.
- WhatsApp, Twitch and TikTok have been added in this year's survey.

Branded content has potential, but mobile web display is the focus for 2019



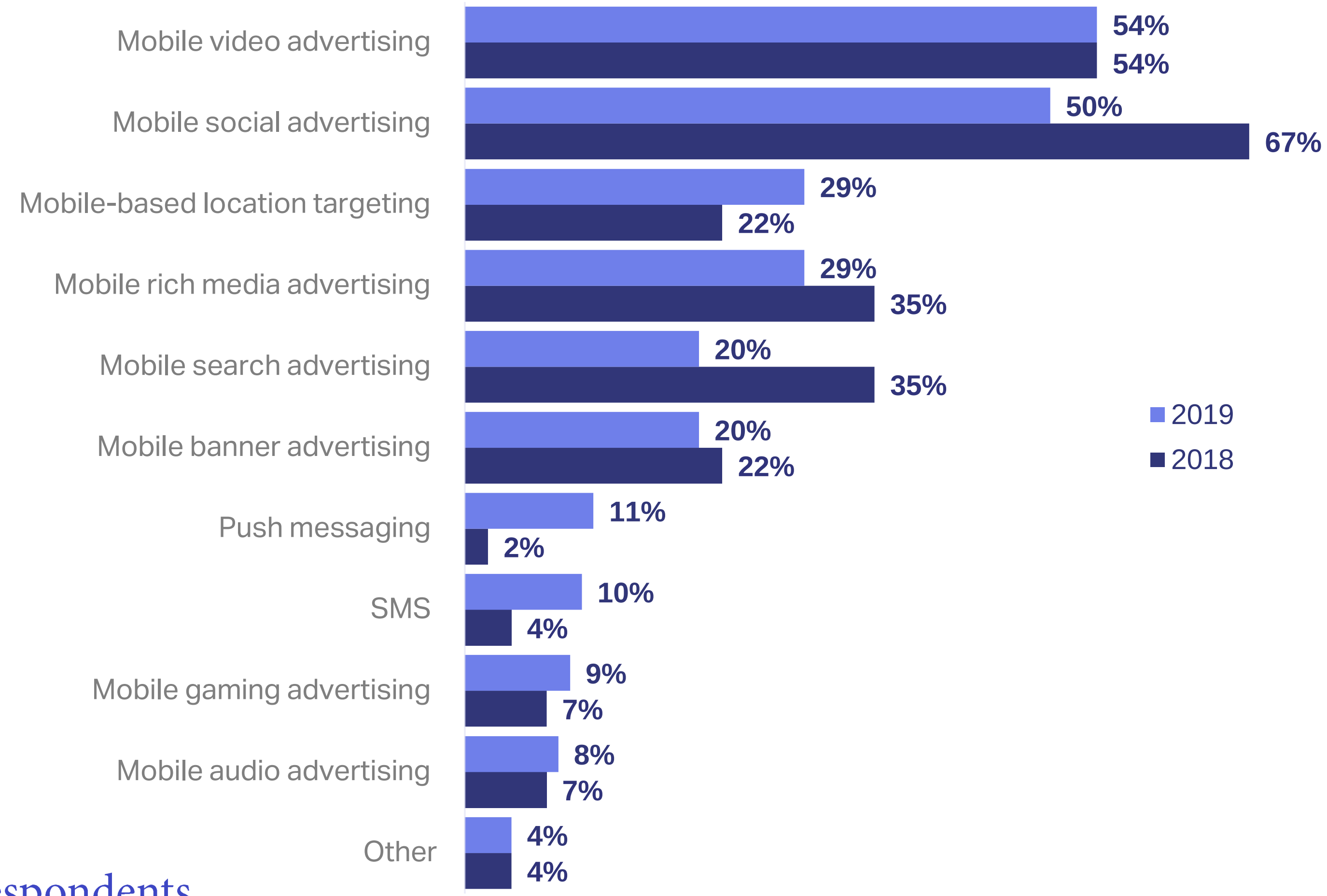
All respondents

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=83*

Commentary

- Over the next year, 46% of marketers are focusing on mobile web display advertising (a six percentage point increase from 2018) and mobile-based branded content (42%), with fewer prioritising mobile loyalty schemes (11%) and coupons (10%).
- Branded content remains the focus in five years time at 53%. After content, in-app display mobile advertising (35%) and mobile web display advertising (34%) are the next most common priorities.

Focus on mobile video advertising for 2019



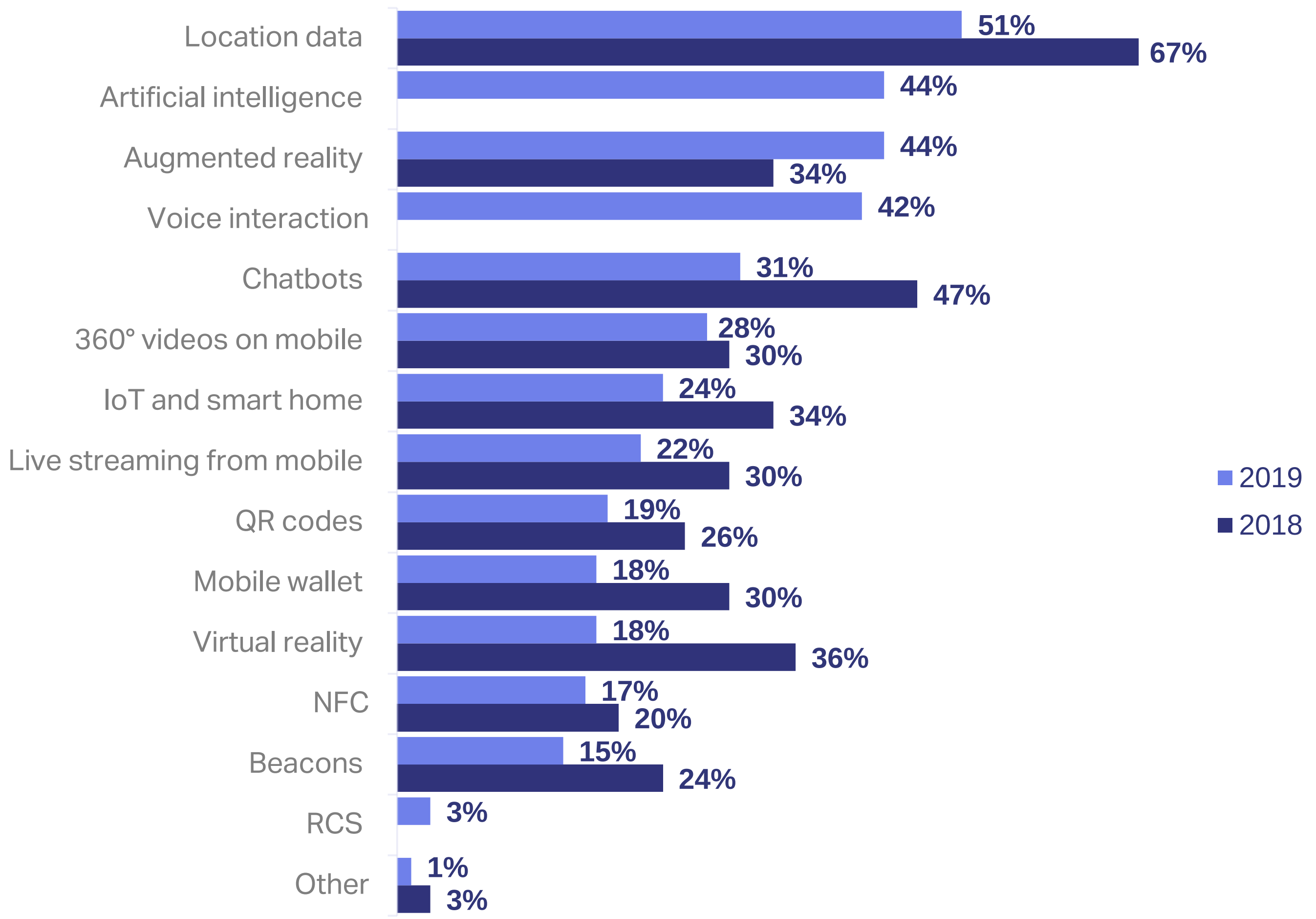
All respondents

Q: *Specifically for mobile advertising, which of the following are you/your clients planning to focus on in 2019? 2018 n=46, 2019 n=80*

Commentary

- In the UK, mobile video advertising is a focus for 54% of respondents, no change from 2018. Mobile social advertising saw a 17 percentage point drop from the 2018 survey, though there is an overlap between video and social advertising on mobile as social advertising often takes the form of videos.
- Mobile-based location targeting has seen a seven percentage point increase in usage (29%) which reflects the focus on location data as a technology in the next slide.

Location data continues to be the mobile technology of focus



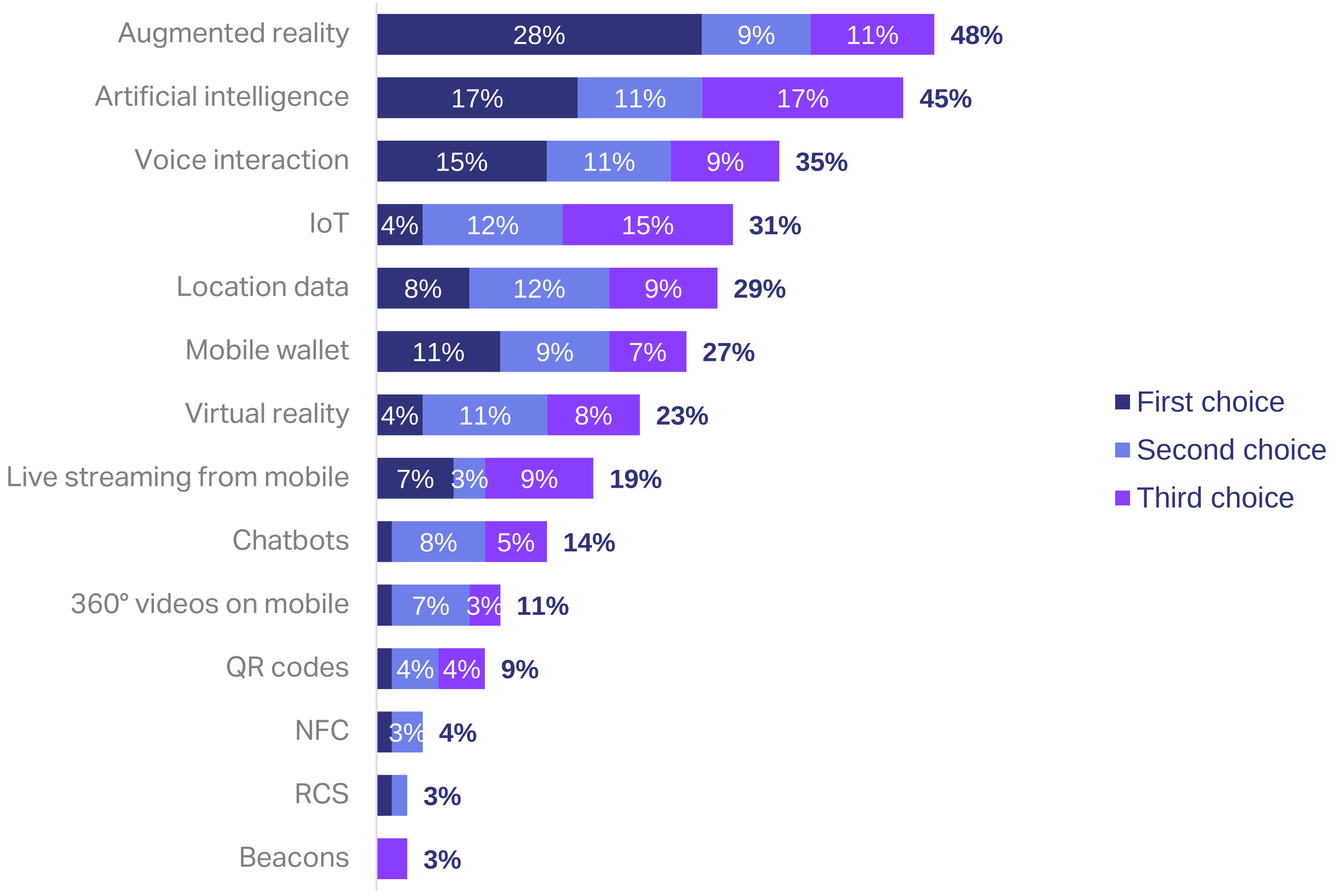
Commentary

- This year, despite a decrease, location data remains the most used mobile technology for 2019 (51%). This is followed by augmented reality and artificial intelligence at 44%, the latter of which was added this year.
- Rich communication services (RCS) and voice interaction were also added as options for this year's survey – the latter is being used or planned by 42% of respondents, which is a significant proportion for an emerging technology.

All respondents

Q: *Are you/your clients planning to use any of the following and their associated mobile technologies in 2019? 2018 n=70, 2019 n=72*

AR top technology choice for future mobile marketing



Commentary

- Respondents were subsequently asked to rank the three technologies they thought would be most significant in five years' time. Augmented reality (48%) is the most anticipated technology, selected as first choice by 28% of respondents.
- Artificial intelligence is the next top choice for marketers by 2024 at 45%, with 17% of respondents choosing it first.

All respondents

Q: *Which of these technologies do you expect to be most significant in five years' time? n=75*

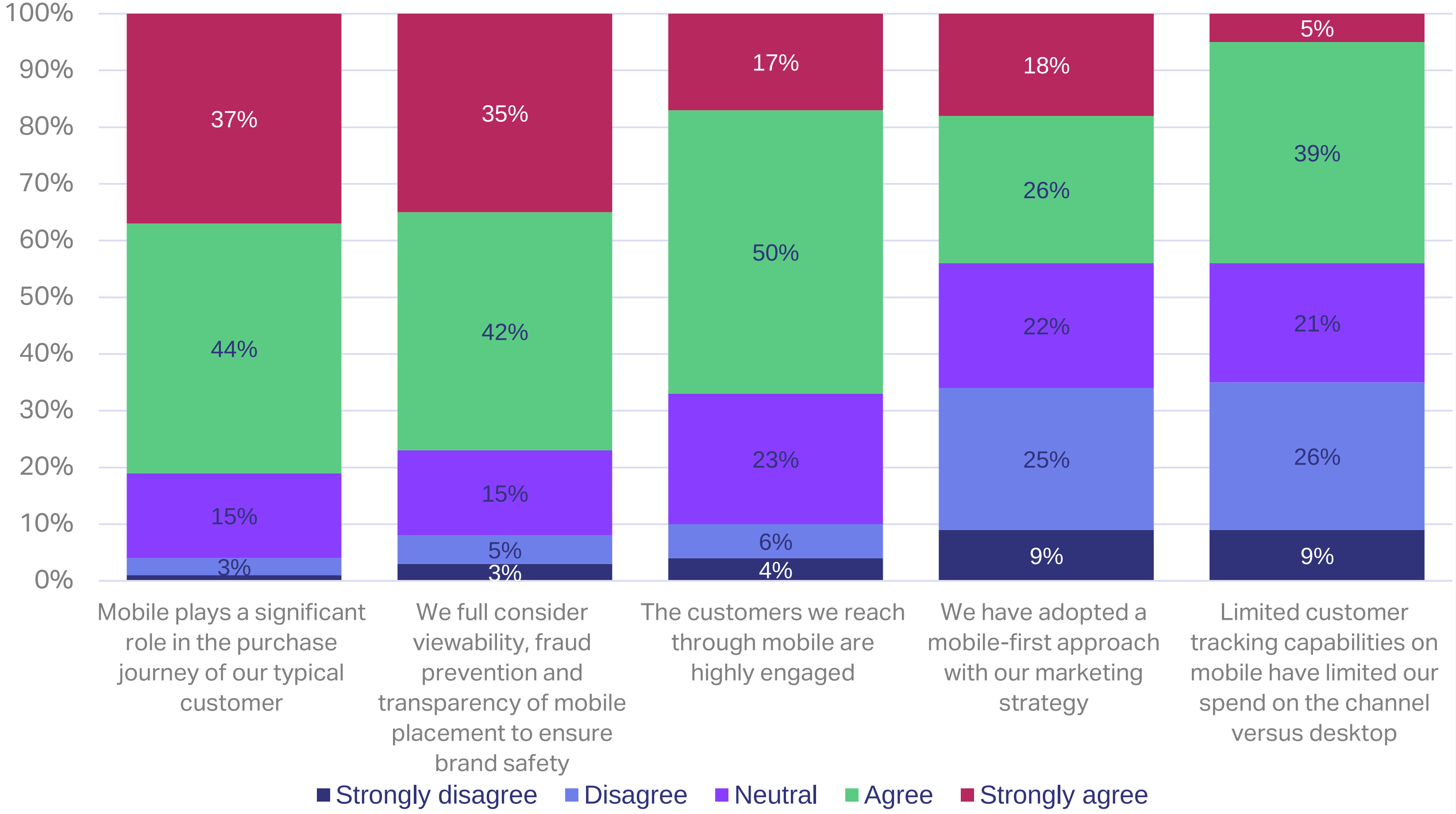
Chapter four

Barriers and challenges

Key insights

- Mobile is playing a significant role in the customer purchase journeys of 81% of brands
- Post GDPR, measurement and metrics and privacy concerns remain problems for the growth of mobile marketing
- Engagement metrics like sharing and video completion rates remain the most used measurements for mobile marketing effectiveness

Mobile plays significant role in purchase journeys



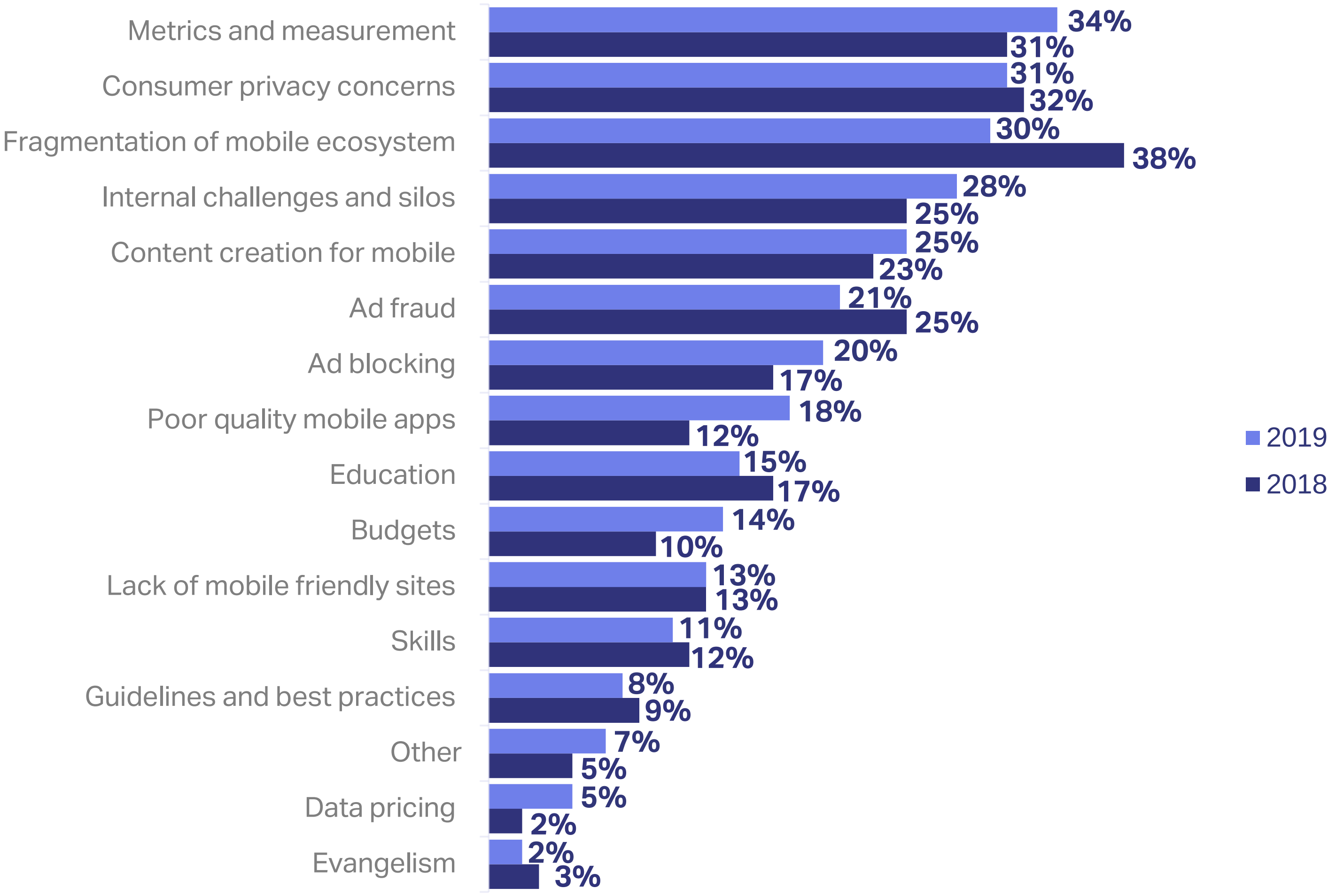
Commentary

- Marketers are confident that mobile plays a significant role in the purchase journey of their typical customer (81%) and strongly agree that they fully consider viewability, fraud prevention and transparency of mobile placement to ensure brand safety (77%).
- Contrastingly, marketers disagree that limited customer tracking capabilities on mobile had limited their spend on the channel (35%) and over a third of respondents say they have not adopted a mobile-first approach with their marketing strategy (34%).

All respondents

Q: *To what extent do you agree or disagree with the following statements about mobile? n=93*

Measurement and privacy concerns key barriers for marketers



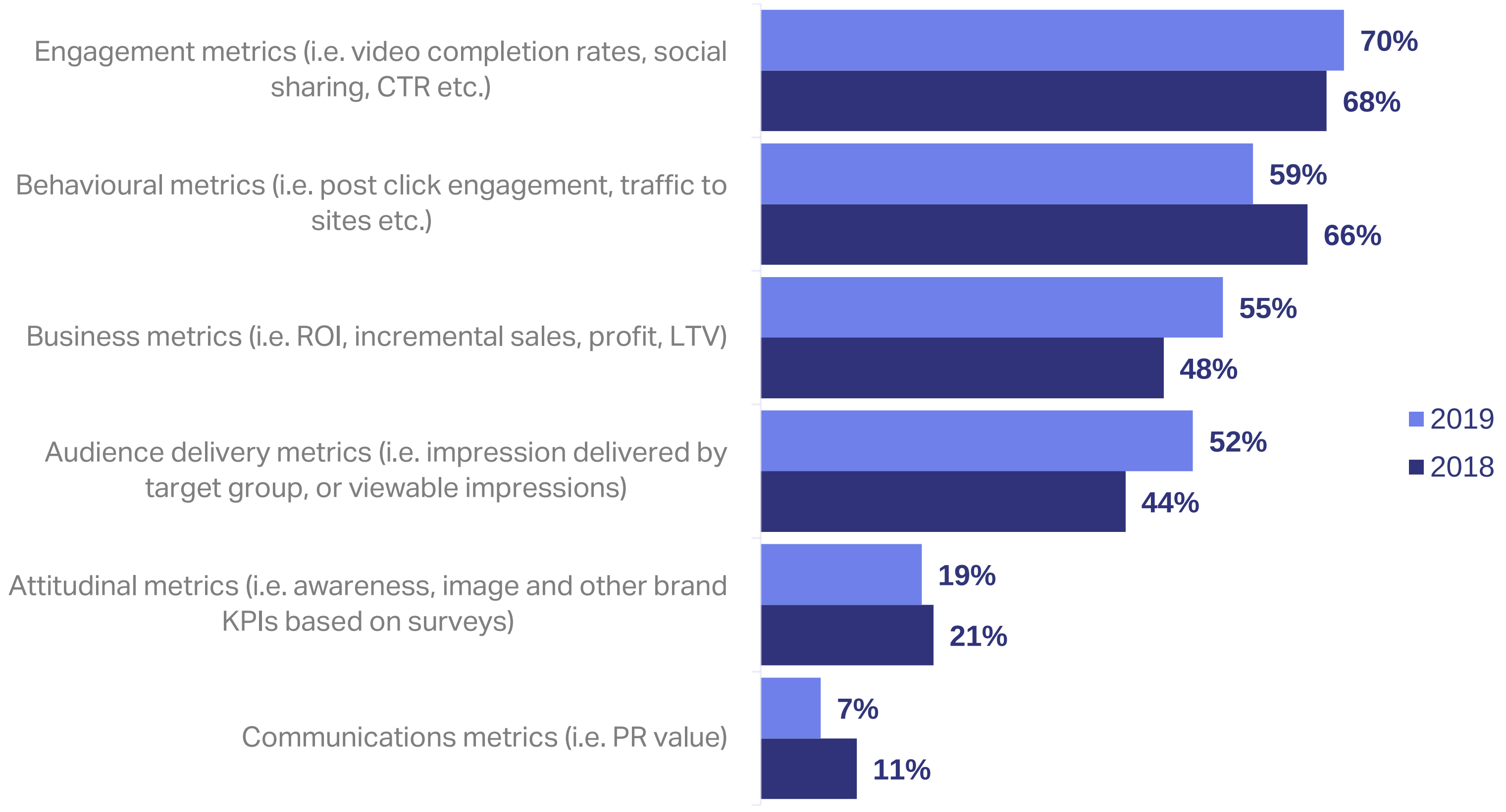
All respondents

Q: *In your opinion, what are the biggest barriers to the growth of mobile marketing and advertising in your region? 2018 n=106, 2019 n=100*

Commentary

- One year on from the implementation of GDPR there is still uncertainty for marketers around the biggest barriers to the growth of mobile in the UK, metrics and measurement (34%) and consumer privacy for marketers (31%).
- Last year's biggest barrier for marketers, fragmentation of mobile ecosystem, follows at 30% with a eight percentage point decrease from 38% in 2018.

Marketers measure mobile marketing effectiveness through engagement



Commentary

- The majority of marketers use engagement metrics to measure mobile marketing effectiveness (70%).
- There has been a seven percentage point increase in marketers using business metrics (55%) to measure mobile marketing effectiveness: a positive trend that indicates mobile is becoming more measurable in hard metrics.

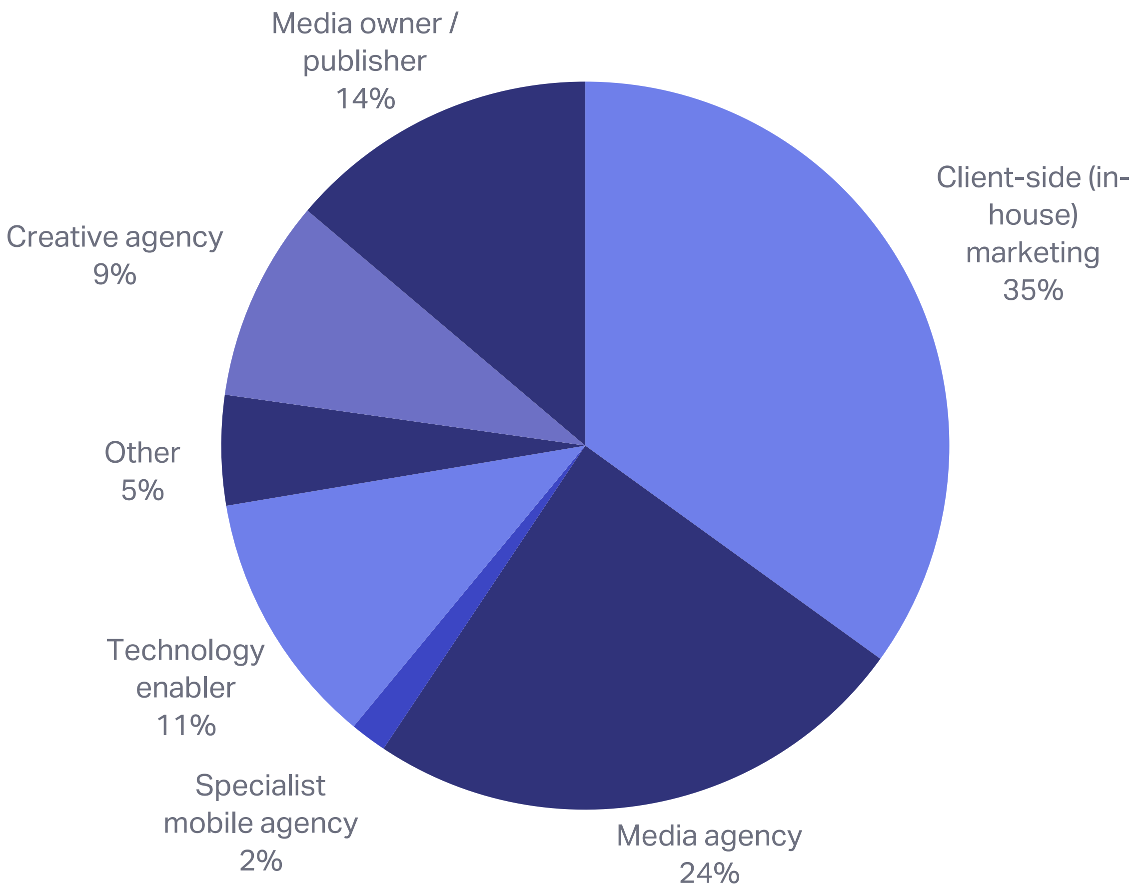
All respondents

Q: *Which of the metrics below do you or your clients most use to measure mobile marketing effectiveness? 2018 n=87, 2019 n=83*

Chapter five

Demographics

Respondent company types



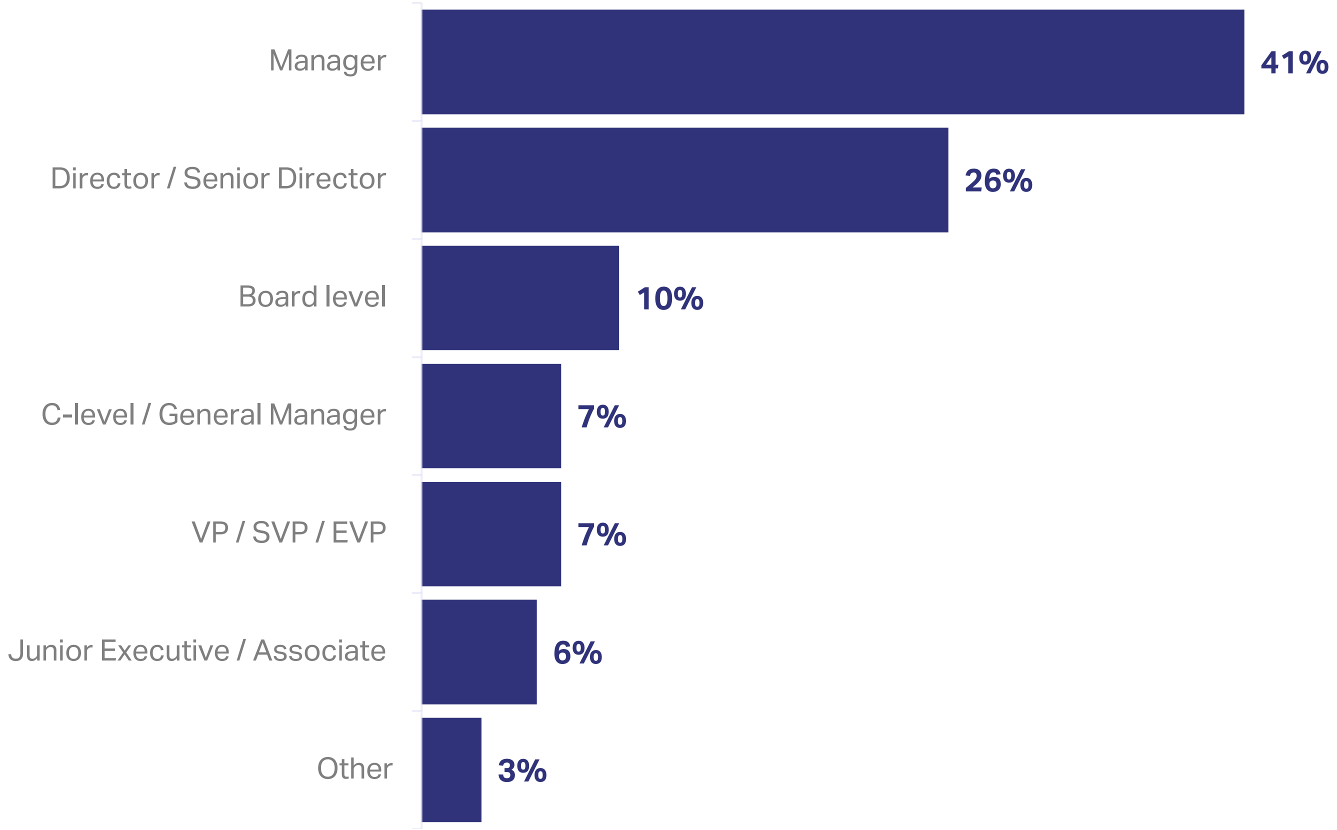
All respondents

Q: *What type of company do you work for? n=123*

Commentary

- Over a third of respondents are brand-side marketers, working in-house (35%).
- 35% came from agencies, and the remainder from technology vendors, consultants and media owners.

Respondent job roles



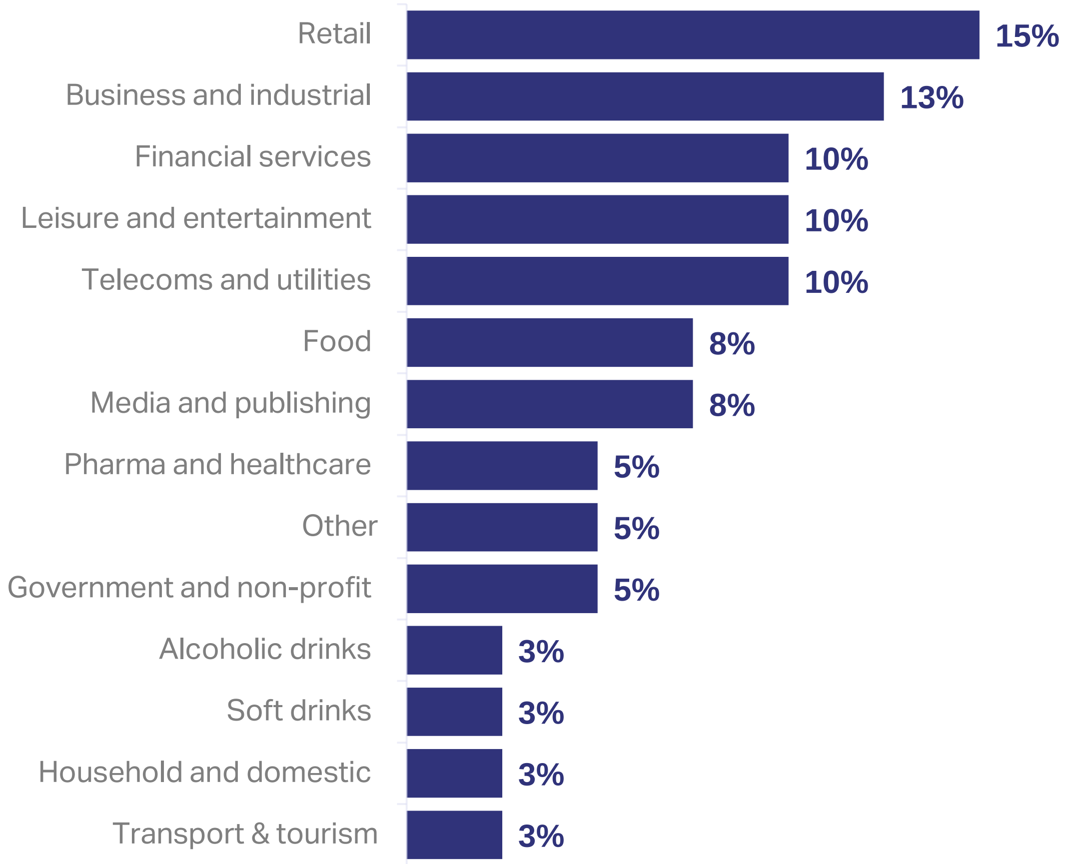
Commentary

- More than 40% of respondents work as managers (41%).
- Over a quarter of respondents are directors (26%) and the rest comprise of general managers, executives, VPs and board level roles.

All respondents

Q: *Which best describes your job role? n=121*

Respondent sectors



Client-side respondents

Q: *In which sector or industry do you work? n=39*

Commentary

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

More from WARC

About the study

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

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

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

About WARC

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

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

About the MMA

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

Contact the MMA

Chris Babayode
MD, EMEA
chris@mmaglobal.com

Contact Us

London
33 Kingsway
London
WC2B 6UF
United Kingdom
+44 (0) 20 7467 8100 enquiries@WARC.com

Washington DC
2233 Wisconsin Ave NW Suite 535
Washington
DC 20007
United States
+1 202 778 0680 americas@WARC.com

Singapore
OUE Downtown 1, #44-03
6 Shenton Way
Singapore 068809
+65 3157 6200 asiapacific@WARC.com