WHAT IS THE MOST DISRUPTIVE FORCE IMPACTING MARKETERS IN THE NEXT 5 YEARS?
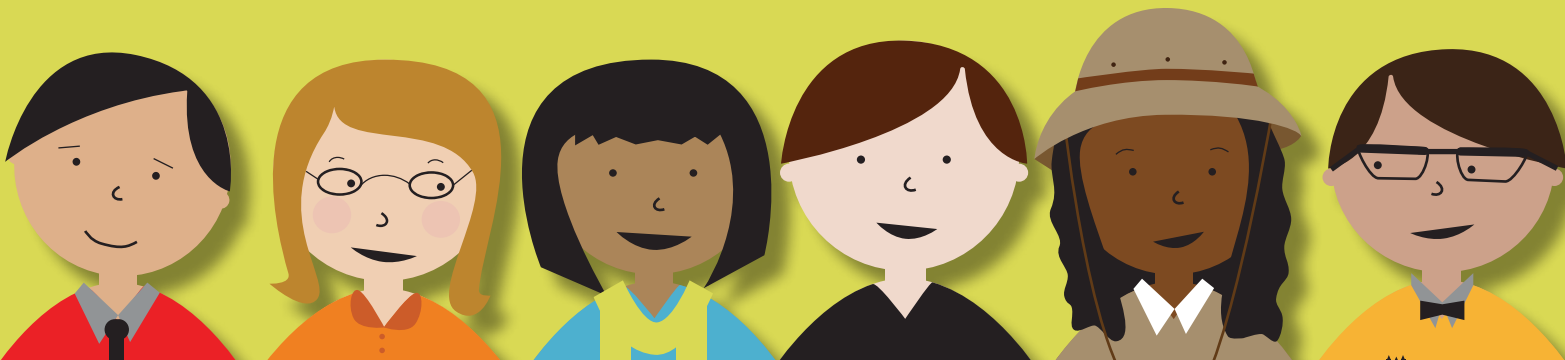
+MOBILE

"+Mobile" is simply our term for the new consumer environment – one where most consumers augment or filter traditional communications channels through a device that's with them 24x7x365. We've added the "+" symbol to remind ourselves that the mobile channel is distinctly different than the mediums we've programmed for previously and we should approach it in the context of our broader marketing strategy and programs. From our point-of-view, the disruptive change and opportunity it is creating make mobile uncontestably the most transformative trend shaping the marketer's landscape for the next half-decade.

+MOBILE GROWTH DRIVES COMPETITION AND THE NEED FOR GROUNDBREAKING MARKETING AND COMMUNICATIONS

+Mobile growth drives competition and the need for groundbreaking marketing and communications – our global economy has produced only a handful of trillion-dollar industries; however, mobile is the only one that is still growing fast and is transforming how others operate.

The greatest opportunity to reach potential customers will be through their mobile device. According to Gartner projections, by 2016 two-thirds of all internet traffic will be viewed on mobile devices. Nokia recently released research that showed the average consumer looks at his phone more than 150 times per day.

However, mobile is not a dedicated channel; it's actually an integrated channel. According to the Consumer Electronics Association, at least 60% of Americans have used a smartphone or tablet in combination with a television program. A lot of discussion has been generated by this "multi-screen" phenomenon, but it's only one aspect of mobile's influence. Industry events and speaking engagements have been forever transformed by real-time audience interaction and commentary. Mobile apps like Shazam turn a radio commercial into directions to the closest retail location of the advertiser. And the list will grow.
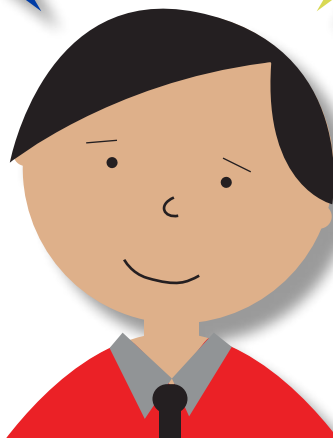
Mobile will impact the management and structure of our marketing teams. The mobile channel is so new that marketers have been reticent to make major investments. In fact, investments in mobile advertising and marketing initiatives reached nearly $37.5 billion in 2012 – this represents nearly 15% in compounded annual growth since 2008 but is still less than 10% of total budgets. Specialized mobile teams will become obsolete, much in the same way that knowledge of social media is a requisite skill set – the mobile channel is too important to be managed in a discrete fashion. The agency of the future will be capable of managing +mobile programs – programs that account for marketing engines across traditional channels and tie them together seamlessly through a mobile experience

The average consumer looks at his phone more than **150 X** per day

By 2016 **2/3** of all internet traffic will be viewed on mobile devices

The mobile channel is so new that marketers have been reticent to make major investments

The mobile channel is too important to be managed in a discrete fashion

TRIED AND TRUE MARKETING ENGINES ARE FAILING IN MOBILE – AT LEAST FOR NOW

Content marketing and public relations initiatives will dominate in mobile, taking share from advertising and other budget holders. In the past, ads have been unavoidable for mobile consumers — billboards and radio commercials target people stuck in traffic. Mobile is an entirely different medium where users don't have to endure ads or marketing in most instances. More troubling still is the fact that some research has shown that as much as 40% of clicks on mobile ads are accidental or fraudulent. The advertising industry will no doubt improve its performance in this space, but many are looking elsewhere for performance.

Public relations practitioners shouldn't be too comfortable however; the third-party validated outcomes driven by media relations are increasingly less effective. With more educated and savvy audiences in particular, trust in media outlets is in decline and a generation raised on social media and now turning to alternative channels and each other for trusted information. Mobile is the battleground where brands will vie for the majority of consumer's attention.

Regardless of its origins, marketing on mobile devices needs to be timely, personal and contextually relevant (people expect their phone to be customized to who they are), in order to work.
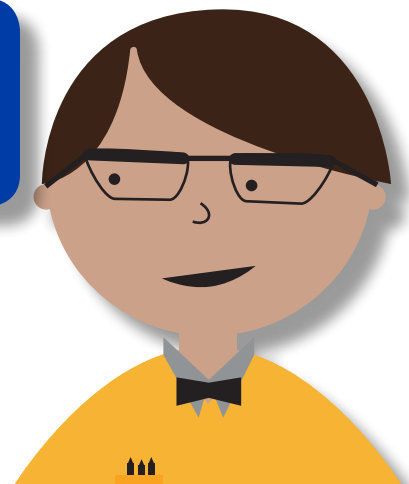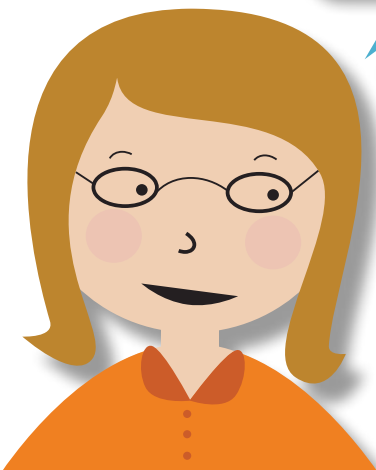
CUSTOMER SATISFACTION IN A +MOBILE WORLD

At the beginning of the last decade, Claes Fornell, a professor at the University of Michigan and one of the co-creators of the American Customer Satisfaction Index (ACSI), posed a radical theory – high customer satisfaction scores could be a key indicator of future business success. Fornell used this thinking as the basis for a new hedge fund, one that would invest in companies with the highest customer satisfaction performance. The hedge fund, as well as a number of third-party validated papers, have demonstrated that a portfolio of firms with high ACSI scores consistently outperform the market.

Based on their role, marketing professionals approach the proverbial "funnel" with different objectives in mind; however, the disruption of the customer's relationship with the brand over the past decade is forcing changes in a lot of that thinking. Because of the increase in their individual influence, customer satisfaction is poised to become a leading key performance indicator of business success and mobile may be the catalyst for a significant shift in how all marketers view their roles in the future. The personal connection that mobility creates introduces an opportunity for marketers to create engagement in ways never before possible with new and existing customers.

Research has shown that as much as **40%** of clicks on mobile ads are accidental or fraudulent

Marketing on mobile devices needs to be timely, personal and contextually relevant in order to work

MARKETING'S MOBILE CONNECTION: IT'S PERSONAL

If you are working intently to get your hands around a dedicated mobile marketing strategy, stop. Now. Certainly the landscape-shifting emergence of smartphones and tablets has changed the way consumers and business buyers find, consider and purchase products. Nevertheless, mobile must play a very specific role within an integrated marketing program that reaches out through digital and traditional media, one-to-one communications, a revamped in-store experience and follow-up techniques that generate loyalty through engagement.

> The mobile channel should not be measured in isolation

> A smartphone is almost exclusively personal

Mobile has become a complicating factor in the marketing equation for many brands, but the uncertainty of how to incorporate mobile into a marketing program stems largely from mis-perceptions on the way to measure its impact. The mobile channel should not be measured in isolation. We cannot expect to calculate ROI with any approximation of accuracy. While consumers may use a mobile device in the process of buying a vacuum, they don't use it in a vacuum.

Rather, mobile devices serve as connecting points. They connect shoppers with mobile-optimized websites. They connect store associates with back-end systems that provide on-site profiles for customers. They connect consumers with friends and family during the shopping experience. And, of greatest importance, they connect individuals with the company's brand in very personalized ways—at the moment they are considering a purchase.

We maintain a strong point of view regarding mobile's role. We refer not to mobile marketing but to marketing plus mobile—the panoply of marketing approaches supported and connected by mobile devices and communications, which personalize the brand. We advise that integrated marketing programs must include such standard elements as themes and taglines; website and microsite content (optimized for mobile display); video demonstrations, testimonials and storytelling; primers and product guides; direct mail and e-newsletters; events and reviews, all supported by traditional media relations efforts and social media amplification. Mobile enables us to focus all of these elements to match the predilections of individual consumers.

Unlike computers, which often are shared among family members in the home, IT departments and employees in the office, or residents in libraries and schools, a smartphone is almost exclusively personal. It is used by one person and only one. That idiosyncrasy opens an unprecedented opportunity for marketers to personalize their overall program and to gather exceptionally relevant data.

Devices like smartphones that are more reliably connected to an individual produce more accurate data about that consumer, furnishing better analytics to make the overall marketing program more effective. Such devices can be segmented and targeted for better ROI from the integrated marketing program. Mobile makes opting-in to marketing messages easy and offers a convenient user experience for couponing, feature comparison, reviews and product trial.

The Olympics of mobile shopping each year is Cyber Monday, the Monday following Thanksgiving. IBM reports that during Cyber Monday 2012, online sales increased more than 30 percent over the previous year, and mobile sales accounted for nearly 13 percent of transactions—a jump of 96 percent over 2011. Of the Cyber Monday mobile traffic, 58 percent occurred on smartphones. Cyber Monday has become so successful because insightful brand marketers have figured out ways to personalize the use of technology. They may alert an individual to Cyber Monday deals that augment or update that customer's previous purchases, and they connect with individuals on their smartphones via social channels to offer particularly timely information.

Personalization, in fact, is what makes connecting via mobile so successful. Sometimes called "me-commerce," this phenomenon can be translated into a loyal following and previously unattainable levels of word-of-mouth endorsement.

One company that has gone all-in on personalization is fashion e-tailer Gilt Groupe. Writing in the McKinsey Chief Marketing and Sales Officer Forum, Gilt Co-founder Alexis Maybank explains how her company uses big data for one-to-one communications:
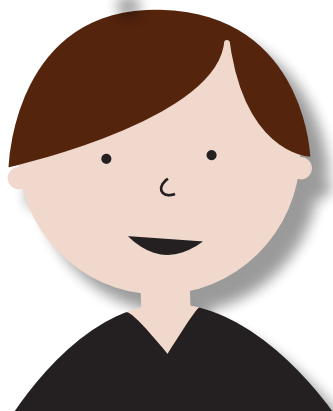
"We have almost five years of data on most of our members and customers, so we're able to do more nuanced marketing and communication. Within a single minute at noon every day, there are over 3,000 versions of our message that go out to customers, based on what they shop for, what they like, even what sizes they wear. It's tailored, one-to-one communication with the customer."

That kind of targeted communication is one important way to be positively impossible to ignore. Personalized messages are difficult to ignore when they appear on a smartphone, via text, email or social media. Because of the smartphone's small screen size, its owner has limited tolerance for clutter. The personalized message gets through. If a marketer can track a phone and build a profile of its owner, he has a tremendous opportunity to weed out the waste in his marketing program and to ensure personalized communications are being viewed.

Emerging mobile features provide even more opportunity for adding mobile connections to the marketing mix in personalized and highly effective ways. Near-field communication could allow a shopper to touch her phone to a tag or sticker on a shoebox and immediately receive details on the shoes, accessories to match them, and reviews of the product. Apps coupled with the smartphone's camera might be used to show the shopper how she would look in the shoes and a matching outfit. Similarly, in the half hour before the projectors roll in a movie theater, a patron with an NFC-equipped smartphone might tap a tag on the armrest and receive her own personal preview of an upcoming movie that has been selected based on the types of movies she regularly watches.

In the end, the smartphone is the marketer's single most valuable way to attract consumers into the sales funnel and to connect with the consumer on the way through. The most successful marketers will find ways to use the smartphone to connect program elements in new ways, interacting with store environments, on-the-street sensors and kiosks, consumer trade-show exhibits, vehicle surveys for those waiting in line for an oil change and a world of other applications.

Personalization is what makes connecting via mobile so successful

ME

Smartphones ease the marketer's ability to gain insight, engage and analyze; and we offer these recommendations for using mobile to its best advantage in developing this data:

INSIGHT: COLLECTING INFORMATION

• The mobile platform offers marketers the ability to experiment at lower costs. For example, rather than buying spots on conventional TV broadcasts, purchase lead-in spots on the Hulu version of the same shows at a fraction of the price, reaching similar demographics. Marketers can gain better segmentation on Pandora than on terrestrial radio and reach listeners all day long instead of primarily in drive time. Mobile lets marketers try new avenues for reaching fans of sports, entertainment and news.

• Marketers should consider every channel when segmenting their audience. If they run an experimental ad during an online show, that effort should be supported on Facebook and embedded on Pinterest, integrating it with the overall program.

• Marketers may need to become more involved with their organization's business operations. To capitalize on such opportunities as near field communications and equipping associates with tablets to make them more marketing consultant than sales clerk, stores must invest in back-end systems, Wi-Fi networks, tags, handheld devices and other technology on which only the marketer can advise, based on the direction in which she intends to take the integrated marketing program.

ENGAGEMENT: YOUR MARKETING PROGRAM

• Understand that marketing programs need a comprehensive strategy, not just a mobile strategy.

• The marketing program content must be both personalized and relevant and be delivered in a courteous and considerate way that is responsive to the consumer, rather than blasting him with e-mails, banners and billboards.

• Engagement means more than communicating with customers through social media, although that should be an element of most marketing programs today. It means proactively remaining in touch with the customer after the sale, to thank her, offering her discounts on future purchases, sending notifications of updates and new products in which she would be interested and offering her feedback. The mobile device should be used to build brand loyalty and relationships and to continue conversations with consumers that have been initiated across the integrated marketing program.

INSIGHT → **ENGAGE** → **ANALYZE**

ANALYSIS: EVALUATING YOUR DATA

• The way marketers think about programming should start with the way they think about measurement. The person holding the device will be the same person, every time. That knowledge opens up a wealth of new considerations for personalizing integrated programs in ways that enable the monitoring of individual sales decisions.

• Marketers will become quickly frustrated if they try to measure ROI on their mobile-related efforts alone. All the data from every aspect of the integrated program should be fed into a single database, from which the chief marketing officer can pull reports to evaluate the entire program's ROI. An integrated program requires an integrated approach to analytics. It's expensive and futile to try to analyze mobile on its own, so marketers should stop asking staff to calculate their ROI. They only need to report their information, and analysis can take place at the aggregated level.

• Measure overall engagement and loyalty to obtain a good idea of the success of the mobile aspects of the program. Consumers increasingly choose to engage with the brand via their handheld devices.

In the mobile environment, the marketer's message is rarely ignored, but it may not necessarily be received in a positive fashion. By personalizing the message and innovating within the medium, today's marketers can be positively impossible to ignore, boosting loyalty, sales and their brand's reputation in the marketplace.

A +MOBILE FRAMEWORK FOR CREATIVE TEAMS:

Just as television challenged the creative community when it emerged, mobile is a new medium that requires a distinct way of thinking. Just as television engineers influenced the early forms of creative, mobile technologists have had the greatest impact on how marketers view the mobile channel – and it is easy for their POV to define and obscure engagement opportunities. We've developed a framework to guide the creative thinking of our teams that we'd like to share with you in detail below, but at a high-level comprise three key areas:

• Start with strategy
• Multiscreen environments
• Device characteristics and usage scenarios
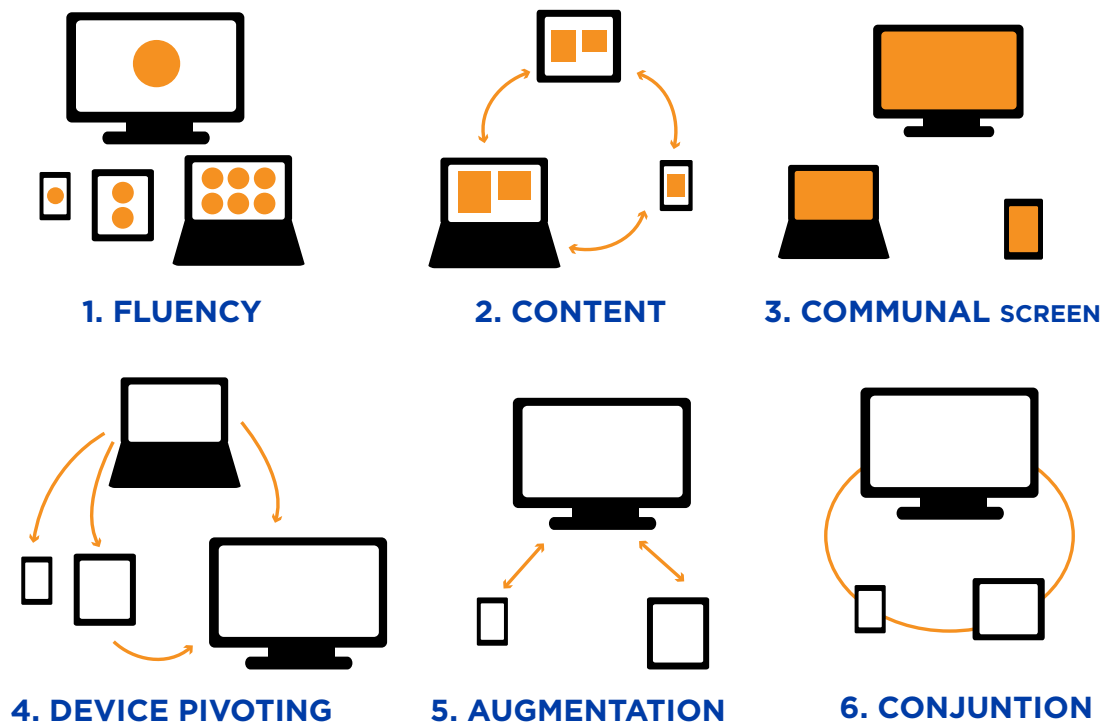
START WITH STRATEGY

The mobile channel does not change the business objective. Any mobile marketing strategy at some level needs to align to the greater marketing strategy and business objectives and it's useful to start with a review of what we're ultimately trying to accomplish. We recommend you also collect and review the existing data on your target audience and identify any areas where questions may arise relevant to mobile.

MULTISCREEN ENVIRONMENTS

It's certainly useful to understand how web designers see the world, but too many marketers don't look beyond the user experience – in this case, the one defined by the technologist, which is largely concerned with visual rendering and system compatibility. To be sure, these are important attributes of mobile communications, but they are increasingly table stakes.

Furthermore, it's important to incorporate analog experiences, or figurative screens, into our thinking, such as the projected image of a PowerPoint at an industry event or the register checkout at a retail location – they all represent engagement opportunities. Marketers need to learn to think in mobile patterns. Today's consumer interacts with an ecosystem of digital interfaces, so we need to create engagement that takes advantage of those systems. We've documented six common mobile patterns that should help define strategies for a +mobile world.

1. FLUENCY **2. CONTENT** **3. COMMUNAL** SCREEN

4. DEVICE PIVOTING **5. AUGMENTATION** **6. CONJUNTION**

1. Fluency patterns: a design pattern that seeks to ensure the digital experience works across devices and addresses device characteristics and usage scenarios. Microsoft's OneNote, a digital notebook is available on numerous platforms and devices. The smartphone apps are optimized for media input and notes are tagged.

2. Content synchronization patterns: content is always in sync across devices. If you start reading this whitepaper on your smartphone, your tablet will know your reading position.

3. Communal screen patterns: multiple screens share a single source and are aware of their position to one another. One of the major television manufacturers assembles a wall of screens every year at the Consumer Electronics Show, but projects a single image that displays across all of them, as if they were one massive screen.

4. Device pivoting patterns: content can be moved from one device to another, such as a video experience being transferred from a tablet to a large TV screen without disrupting its flow.

5. Augmentation patterns: Devices play discrete roles relative to each other. A television may serve as a gameboard, while individual smartphones display an individual players information so that other players can't see.

6. Conjunction patterns: Devices are being used to access content in conjunction with other screen content. During a live broadcast of "The Walking Dead," fans participate in real-time discussion about the outcome of a character's situation in the episode.

UNDERSTAND THE FEATURES OF THE DEVICE AND "MOBILITY" SCENARIOS

Smartphones and tablets are devices that have emerged from the combination of numerous technologies. Marketers need to be familiar with those that exist and keep an eye out for ones that emerge. Each characteristic represents a potential engagement opportunity, either by itself or in combination.

- OPERATING SYSTEM / APPLICATION PLATFORM
- PHONE / SPEAKERPHONE
- SPEAKER / MICROPHONE
- GYROSCOPE / ACCELEROMETER
- CAMERA / LED
- VIDEO: .AVI, 3GP, ETC.
- MESSAGING: SMS, MMS, ETC.
- CONNECTIVITY/NFC: BLUETOOTH, WIFI, GPS, ETC.
- …AND MORE

We find it useful to have a list of these capabilities on hand at brainstorms and to ponder the potential use case for specific kinds of audiences – when broken down in this manner, the potential of mobile starts to become much more accessible. It's easy to fall into the trap of "we need an app for that" and completely unnecessary. Consumers, for the most part, already have these devices – the trick is to creatively direct them for how to use them in way that enhances their experience with your brand.

Airfoil is an independent firm specializing in marketing communications and public relations for both emerging and established brands. Nationally known technology and consumer companies we serve include Microsoft, eBay, LinkedIn and ABB.

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