

## MOBILE MARKETING TRENDS FOR 2016



1. MOBILE? NO, MOBILITY!
2. CONTEXT WILL BE KING
3. APPS ON THE RISE
4. MOBILE PROGRAMMATIC BECOMES THE STANDARD
5. MOBILE VIDEO ADVERTISING WILL DOMINATE
6. SOCIAL WILL BE MOBILE BY NATURE
7. INVESTMENTS IN INSTANT MESSAGING APPS WILL GROW
8. MOBILE: THE CORNERSTONE OF CONNECTED COMMERCE
9. WEARABLES WILL CONTINUE TO PROLIFERATE
10. PAVING THE WAY FOR THE MOBILE PAYMENT

*In 2015, mobile surpassed desktop in terms of internet access. We witnessed this through the success of new consumer models such as Uber and through the continuous clash of digital moguls vying for their share of the new digital Promised Land. As consumers, we have never been closer to our mobile devices. We've become inseparable, waking up and falling asleep with them by our side. They enable us to connect with our friends, follow our favorite content, monitor our finances, track our fitness, follow world news and spend our idle time playing on their screens. We are never lost and never really alone as long as we have battery power, cell coverage and a data plan. It's clear that in this day and age, our phones are an integral part of our lives and brands that unlock the value of mobile for their business will build unparalleled, connections with their consumers.*

***“We must forget the old copy-paste model of web-based advertising and fully embrace the era of social by mobile for mobile.”***

## 1. MOBILE? NO, MOBILITY!

We've been claiming every year as "the year of mobile" for far too long. With close to half of all internet traffic occurring via mobile devices, the year(s) of mobile have clearly already happened. In 2016 marketers will need to look beyond mobile, which has always referred to the devices themselves, and take a look at the behavior these devices have engendered: mobility. Mobility demands more than advertising resized to fit mobile screens. It calls on brands to stop thinking of mobile as a silo. Instead, mobility requires an approach based on habits. Brands must analyze how mobile devices shape lifestyle and tailor all marketing efforts - including print, video, search, out of home and websites together with mobile - to fit seamlessly within that lifestyle.



**Impact for Marketers:** In 2016, mobile will bridge the gap between offline and online strategies and become a more immediate way for brands to reach consumers. The key is understanding consumer habits and lifestyles to understand how mobility impacts them. Brands will need to activate data and insights in order to create relevancy anytime, anywhere.

## 2. CONTEXT WILL BE KING

Mobile experiences without contextual consumer value will no longer suffice in 2016. As brands expand their consumer knowledge via data collection, consumers will expect brands to communicate with them personally and seamlessly. We're no longer talking about "mobile first" but "context first" design. Likewise, location is expected to play a significant role in how brands reach consumers. According to Google, 85% of the top 100 retailers are expected to invest in beacon technology before the end of 2016\*. This will create hyper-relevant, micro-targeted offers for consumers.



**Impact for Marketers:** In order to improve ad targeting, experience and effectiveness, brands will have to collect and rely on more data sources than ever before. Brands must invest in targeting and re-targeting solutions as well as native advertising opportunities to reach consumers directly in context.

\* Luxury Trends, Top 10 Mobile Marketing Trends for 2016 (January, 2016)

### 3. APPS ON THE RISE

Apps have been a core element of user behavior for a number of years. According to Nielsen, consumers already spend 85% of their mobile time using apps\*; mobile app use easily rivals the average time spent watching television\*\*. Last year, Google announced that its search algorithms now include app search results, which will make it easier for new apps to be discovered\*\*\*. We can expect brands to invest more heavily in apps as a go-to channel to reach consumers, build loyalty and community, drive engagement and provide consumer services. Brand apps will need a true purpose; brands will have to add real value to consumers' lives through rich, cohesive experiences, powered by data, that engage users on their own terms. As more apps flood the market, consumers will expect seamless experiences and smart design.



**Impact for Marketers:** If brands want to take advantage of greater visibility of applications in search results, they will first have to develop a comprehensive content strategy. If they wish to make the most of apps' potential to foster meaningful and long-term connections, brands will need to improve their creative and content strategies to deliver lifetime

value for their consumers.

\* TechCrunch, Consumers Spend 85% Of Time On Smartphones In Apps, But Only 5 Apps See Heavy Use (June, 2015)

\*\* TechCrunch, U.S. Consumers Now Spend More Time In Apps Than Watching TV (September, 2015)

\*\*\* SearchEngineLand, App Indexing & The New Frontier Of SEO: Google Search + Deep Linking (August, 2015)

### 4. MOBILE PROGRAMMATIC BECOMES THE STANDARD

Programmatic is quickly becoming the new standard media buying process for digital marketers, including mobile programmatic. eMarketer projects mobile programmatic to hold a large majority of US display ad dollars by 2017\*. Indeed, the era of targeting to a specific device appears to be fading away. Brands are now looking to guarantee that the audiences they're reaching are consumers who are looking for a product or service and therefore, would be interested in their message. In 2016 geo-localized data, an essential component of mobile programmatic, will provide a direct link between digital advertising and consumer behavior in the real world. This will help increase ad relevance. Cross-referencing location with other data, such as POI or app-usage, we can build increasingly accurate audiences. These opportunities allow mobile programmatic to offer unparalleled value to advertisers.



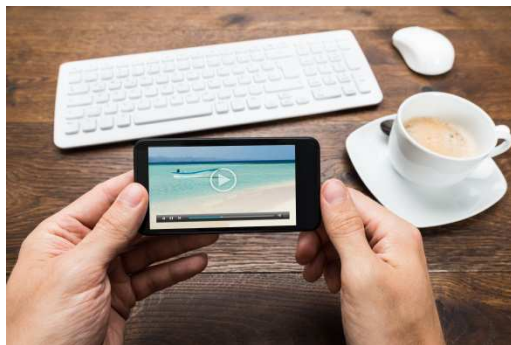
Impact for Marketers: With cross-channel communication and geo-localized data, marketers will invest more in mobile programmatic. Relevance across digital and offline data will directly impact consumer behavior. Brands will focus on reaching target audiences through data-driven, tailored messages via mobile

programmatic.

\* eMarketer, Mobile Programmatic Display Ad Spend to Eclipse Desktop as Automation Grows (October, 2015)

## 5. MOBILE VIDEO ADVERTISING WILL DOMINATE

According to Yahoo, mobile ads manage to achieve more emotional responses than ads served on other formats\*. Video is perceived as less intrusive than other ad formats and can easily increase brand awareness\*\*. These factors combined make mobile video a very attractive avenue for marketers. Indeed, Facebook's video statistics have been skyrocketing, with views doubling in the last six months to reach an impressive 8 million views per day, 75% of which were viewed on mobile\*\*\*. Facebook now also offers support for 360 video, enabling brands to offer more immersive experiences. Google has also announced it will allow sponsored videos to be indexed on its search engine results pages\*\*\*\*. Given Google's ownership of YouTube, the possibilities for video ad integration seem limitless. With the combined influence of Facebook and Google, 2016 could be a real turning point for mobile video advertising.



Impact for Marketers: Marketers will need to invest in video. In order to meet demand for this format, brands must produce more innovative, bespoke video creative as mobile video ad inventory opportunities expand. Identifying production outlets from vendors to users (UGC) will be essential.

\* SocialTimes, Study: As Smartphone Use Increases, Are You Wasting Money on TV Ads? (January, 2016)

\*\* eMarketer, Mobile Video Ads Drive Brand Awareness, Engagement (January, 2016)

\*\*\* TechCrunch, Facebook Hits 8 Billion Daily Video Views, Doubling From 4 Billion In April (November, 2015)

\*\*\*\* Forbes, Are Video Ads Coming To Google Search Results? (September, 2015)

## 6. SOCIAL WILL BE MOBILE BY NATURE



2015 clearly showed us that mobile and social are now inseparable. This convergence is creating not only mobile-first but mobile-only behaviors. We can no longer think of mobile marketing in terms of display because mobile and social are redefining digital experiences together. Major players like Shazam, Instagram, Snapchat and

Vine offer innovative ways for brands to deliver content and drive interaction with consumers. For example, Viner Logan Paul has 9 million followers, 3.5 billion views, scores of branded videos, and has co-branded mobile apps with 1 million downloads worldwide. Moreover, according to Adobe's Mobile Benchmark Report, more than a billion people access Facebook only via mobile and 60% of the average consumer's time spent on social media is done through a mobile device\*. This trend will not be slowing down any time soon. We must forget the old copy-paste model of web-based advertising and fully embrace the era of social by mobile for mobile.

Impact for Marketers: Marketers will need to develop more integrated mobile-social media strategies which target specific audiences across a range of social platforms. Influencer marketing will also be on the rise as the industry turns towards celebrities of all stripes - from Hollywood to Vine - for earned media content and co-marketing opportunities.

\* Adobe Digital Index: Mobile Benchmark Report (August 2015)

## 7. INVESTMENTS IN INSTANT MESSAGING APPS WILL GROW

Instant messaging apps and mobile devices go hand in hand. Both enable users to connect in real time. Services like WhatsApp and Facebook Messenger are on the rise and expected to reach 1 billion users each in 2016\*. To really grasp the potential of these apps as marketing platforms, look no further than WeChat, China's messaging platform of choice. Released in 2011 as a simple messaging app, it has grown into a full-fledged marketing, commerce and payment platform. Users connect with brands, request services and purchase goods. Brands are already starting to leverage messaging apps to reach users, especially through emojis. Domino's Pizza will take users' orders directly via tweets using the "pizza" emoji. Similarly, Facebook and Uber have partnered to allow users to order Uber rides directly from Facebook Messenger. With their attractive features for marketers, namely personalized interaction, and high engagement and conversion rates, brands will start turning towards messaging apps' more frequently in 2016.



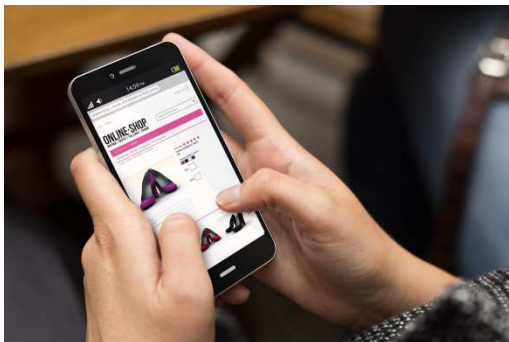
Impact for Marketers: Instant messaging is a great opportunity for brands to reach a gigantic audience and monetizing mobile messaging behaviors will be a key point of focus. Brands should endeavor to be at the heart of individual conversations and revolutionize SMS marketing.

\* Statista, Most Popular Global Mobile Messenger Apps as of August 2015 (August, 2015)

## 8. MOBILE: THE CORNERSTONE OF CONNECTED COMMERCE

Mobile has become the central figure of cross-channel marketing, essential for retailers. Long-gone are the days when mobile’s role in commerce was limited to product reviews, price checks and special offers. Thanks to features such as geo-location, which allow brands to communicate with consumers at the right time with the right messages, mobile is now a shopping assistant and is reinventing how consumers interact with points of sale. Case in point, smartphones generated over 57% of traffic and nearly 30% of revenue during the 2015 holiday season\*.

Mobile commerce is expected to grow a rate 300% faster than traditional e-commerce\*\*, no doubt due in part to greater social e-commerce integration. Indeed, social networks such as Instagram and Pinterest have already begun to integrate e-commerce capabilities to capitalize on the opportunities mobile affords.



Impact for Marketers: With the rise of the mobile shopper, brands need to help make the world a purchase platform. This starts by changing business infrastructure and leveraging social platforms alongside mobile to close the gap between product discovery and purchase intent.

\* MoovWeb, Mobile Commerce Trends for 2016 (January, 2016)

\*\* Coupify, Mobile commerce growing 300% faster than eCommerce (August, 2015)

## 9. WEARABLES WILL CONTINUE TO PROLIFERATE

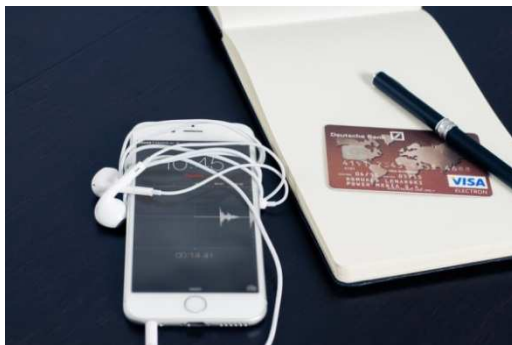
While the Internet of Things will take some time to reach its full potential, the best opportunities in the field remain with wearables. Wearables encompass a wide variety of items including connected clothing, glasses, and more; however the top competitors are still wrist-worn devices. eMarketer forecasts a near 60% increase in ownership\*. This is thanks in part to renewed interest with the launch of the Apple Watch in April of 2015. Additional premium smartwatches from brands like Samsung have since appeared on the market. These devices bring many opportunities for brands and retailers to engage consumers with on-the-spot messages. However, smartwatches still require a significant consumer investment. It's not surprising that they are most popular among the tech-savvy and financially comfortable 25-34s. In order to allure younger audiences, smartwatches will need to bring their prices down (such as on the APAC market) and bring superior added value (become more than a smartphone supplement). Fitness trackers have also been successful in the category. Given current interest, we can expect more wearables to reach the market in 2016, but time will tell if any of them will become the "next big thing".



**Impact for Marketers:** Currently, marketers are the ones who benefit the most from wearables as we are able to recuperate personal data. Marketers need to help consumers find meaningful added-value in using wearables by developing special offers, brand extensions or other dedicated marketing opportunities. Marketers must help create mainstream consumer interest in wearables.

\* eMarketer, Wearable Usage Will Grow by Nearly 60% This Year (October, 2015)

## 10. PAVING THE WAY FOR THE MOBILE PAYMENT REVOLUTION



Mobile proximity payments are expected to continue to grow as a method of payment. While they're not expected to breach the mainstream in 2016, experts agree that this is a question of "when" and not "if". Products such as Apple Pay and Samsung Pay are pushing the envelope for mobile payments.

However, retailers are slow to upgrade their terminals to accept them, creating a bottleneck for mainstream adoption. Why switch to mobile payments when only a few retailers support them? Mobile payments need to offer easy convenience to change user behavior. Certain retailers such as Starbucks and Walmart have created their own, in-house applications to offer loyalty rewards via payment apps. Starbucks app users receive notifications when they can collect a free cup of coffee. Until mobile and retail capabilities converge to offer real added value for consumers, mobile payment will remain a niche product.

Impact for Marketers: If marketers want to offer mobile payments, they need to make it simple. The industry needs a dominant, disruptive solution. Marketers need to help eliminate friction for both consumers and merchants, by creating both B-to-B and B-to-C efforts, to show that mobile payments can deliver benefits for everyone.